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NEWS SUMMARY

GENERAL

Riots as Beatrix becomes Queen

Left-wingers fought pitched battles with riot police in Amsterdam following the abdication of Queen Juliana and the investiture of her daughter Beatrix. At least 130 people, including 40 police, were injured.

Police made baton charges and threw tear gas grenades to disperse rioters who tried to break through security cordons around the Dam Square where Queen Beatrix was formally installed in the Royal Chapel.

Rioters tore up paving stones, smashed shop windows, and set fire to cars.

Trouble began when a protest march of squatters was joined by gangs of youths. Page 3; Editorial comment, Page 24

Swedish crisis

Sweden's blue-collar trade union federation, the LO, rejected a 2.3 per cent pay rise offer from Government-appointed mediators, opening the way for the country's biggest labour conflict. Back Page

Bomber freed

IRA bomber Marian Price was released from Armagh jail after serving less than seven of a 20-year sentence. Northern Ireland Office said she was seriously ill.

Farm price pledge

French Foreign Minister Jean François-Poncet said his country would co-operate with other EEC members to support its farmers if an agreement to raise Community farm prices was not reached next week. Back and Page 3

Ceasefire ignored

Ceasefire declaration was ignored in the Kurdish region of west Iran as fighting continued between Kurds and central Government forces. Page 4

Poison cloud

More than 1,000 people were evacuated from their homes after a poisonous chemical cloud leaked from the textile plants of Snia Viscosa in northern Italy.

Hussein visit

King Hussein of Jordan accepted an invitation to visit the Soviet Union. Before leaving, he plans a tour of Arab capitals.

Action warning

Society of Graphical and Allied Trades warned it would consider industrial action if differentials were not maintained in the national dispute over provincial print craftsmen's pay. Page 10

MP dies

Tom McMillan, Labour MP for Glasgow Central, died in a London hospital, aged 61.

Air born

Airline steward helped deliver a Vietnamese refugee's baby daughter during a British Airways Jumbo flight from Osaka, Japan to Anchorage, Alaska.

Briefly . . .

Parts of Copenhagen were sealed off following street battles in the slums.

Condition of Yugoslavia's President Tito improved.

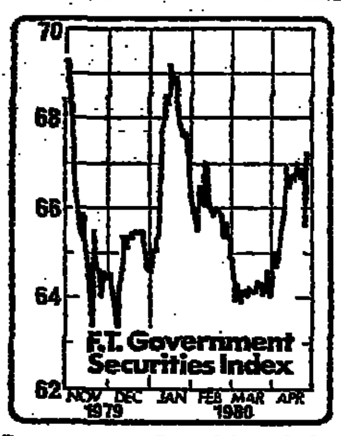
PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Equities up 3.7; Gold eases

● GILTS continued firm, but closed below the best. The



Government Securities index rose 0.48 to 67.22. Page 40

● EQUITIES were guided by the tone in Gilts, and the FT 30-share index, up 6.0 at noon, *finished 3.7 ahead at 440.4.* Page 40

● GOLD fell $4 in London to $514.5. Page 31

● STERLING lost 1.15c to close at $2.2585, and its trade-weighted index was 72.6 (73.2). DOLLAR was firmer, finishing at DM 1.8 (DM 1.7980), and its index was 86.8 (86.6). Page 31

● WALL STREET was 3.50 down at 807.59 near the close. Page 38

● MEDWIN & LOWY, the oldest firm of stockjobbers, is to cease trading on May 9, when most partners and staff will be absorbed by Wedd Durlacher Mordaunt. Back Page

● EUROPEAN Commission is probing "anomalies" in three EEC industries which it suspects range from market sharing pacts to illegal price-fixing. Back Page

● DARJEELING Holdings report has been published by the Department of Trade. Details Page 6

● PUBLIC purchasing to improve the competitiveness of British goods at home and abroad is being implemented by Industry Secretary Sir Keith Joseph. Page 6

● EXPORTERS face higher costs and less support from the British Overseas Trade Board because of cuts in export services, the board warned. Page 5

LABOUR

● COURTAULDS textiles group is to shut three more of its Lancashire mills with a loss of about 750 jobs. Back Page

● ENGINEERING workers' leaders defeated proposals which would have forced it to support left-wing plans for Labour reform at the Party's conference. Page 10

COMPANIES

● BAT INDUSTRIES pre-tax profits for the year edged forward only £8m to £443m due to sterling strength and higher interest rates. Page 26 and Lex, Back Page

● SEALINK UK, the British Rail ferry company, raised net profits by 25 per cent to £6m, but warned of a prices war affecting lorry business. Page 8

● TELEPHONE Rentals, pre-tax profits for 1979 advanced £350,000 to £11.27m on turnover of £39.86m (£36.12m). Page 36

● MITSUBISHI group of Japan is to gain 99.9 per cent control of Chrysler Australia by buying Chrysler Corporation's 36.8m shares for $57.6m (£25.4m). Page 35

● MERCANTILE HOUSE Holdings, the money broking group, is paying $11.5m (£5.1m) cash to acquire three New York financial brokerage companies and a Chicago commodity and futures broker. Page 27

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

[illegible]	[illegible]	+	[illegible]
[illegible]	[illegible]	+	[illegible]
[illegible] Stocks	81	+	6
Assd. British Foods	95	+	5
[illegible] Metal	74	+	5
BAT Inds.	245	+	18
British [illegible]	23	+	3
[illegible] Brothers	300	+	10
[illegible]	29	+	3
[illegible]	170	+	15
[illegible]	278	+	6
[illegible] A	138	+	[illegible]
Ladbroke	[illegible]	+	5
[illegible] A	160	+	6
[illegible]	26	+	5
[illegible]	35	+	4
[illegible]	165	+	15
[illegible]	163	+	4
[illegible]	142	+	6
[illegible]	[illegible]	+	5
Property Prtnships.	200	+	7
Prov. Financial	112	+	5
Scottish and Newcl.	56	+	2½
Smith St Aubyn	122	+	10
Solicitors' Law	27	+	4
Spirax-Sarco	188	+	7
Stanley (A. G.)	75	+	4
Trident TV A	52	+	3
Wilkes (J.)	54	+	8
Aran Energy	344	+	12
Ultramar	654	+	26
De Beers Dfd.	385	+	7
Hill 50 Gold	32	+	5
Leichhardt Explor.	260	+	40
Pres. Brand	£15½	+	½

FALLS

Caird (A.)	130	−	20
Lloyds Bank	290	−	6
Thorn EMI	392	−	6
[illegible]	63	−	8

Iran's London embassy seized

BY GARETH GRIFFITHS AND PATRICK COCKBURN

THREE armed men, believed to be Arab Iranians, seized Iran's embassy in London yesterday, taking 20 hostages and threatening to blow up the building and the captives if their demands were not met by noon today.

The gunmen, calling themselves "The Group of the Martyr," said they wanted the release of 91 fellow Arab dissidents from Iranian jails. The dissidents should be flown to London, and then provided, with the gunmen, a plane out of London.

A policeman on duty outside the embassy, embassy staff and two other British citizens were taken hostage, although an Iranian woman was later released and taken to hospital on a stretcher. Shots within the embassy were heard shortly after the seizure.

The Foreign Office has told the Iranian Government that Britain was determined to see the incident resolved speedily and as far as possible without casualties.

Fifty Iranians—pro-Ayatollah Khomeini students—offered to substitute themselves for the hostages.

Three were allowed past the checkpoint and walked towards the embassy.

The Iranian Government accused Iraq of being behind the incident.

The Iranian cultural attache, Mr. Mehdi Sarfgazh, told reporters the safety of everyone inside the embassy was the British Government's responsibility.

Police cordoned off the area around the embassy in *Princes Gate* and advised staff from neighbouring buildings to leave. Marksmen took up positions around Princes Gate, which includes several other embassies.

Mr. William Whitelaw, the Home Secretary, told the *Commons he would keep MPs* informed. All appropriate steps were being taken. Officials from the Home Office, Foreign Office and police met to discuss the situation.

The gunmen are believed to be from Iran's southern region of Khuzestan, which has a large Arab population. According to police they are armed with a rifle or shotgun and several handguns.

Mr. Mustafa Karkouti, one of the hostages, conveyed the gunmen's demands in a telephone message to the BBC World Service.

The Arab separatists in Iran are heavily backed by Iraq.

A Foreign Ministry spokesman in Tehran said Iran had expected such actions, and claimed pro-Iraqi gunmen tried to assassinate the Iranian charge d'affaires in Beirut 10 days ago.

In the past year there have been continual guerrilla attacks on oil facilities in Khuzestan and relations between Iran and Iraq have rapidly deteriorated. There have been border skirmishes and vitriolic propaganda attacks by both sides.

Ayatollah Khomeini has called for the overthrow of the ruling Baathist regime in Baghdad and has provided backing for dissident Iraqi groups. In the past month there have been at least three assassination bids against Iraqi Ministers in Baghdad. In one, Mr. Latif Nasset Jasim, *the Information Minister,* is believed to have been seriously wounded.

Iran news, Page 4

U.S. index of economic indicators plunges 2.6%

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE U.S. Government yesterday provided the most conclusive statistical evidence yet that the overdue recession has finally arrived when it announced that the index of leading economic indicators had plunged by 2.6 per cent in March.

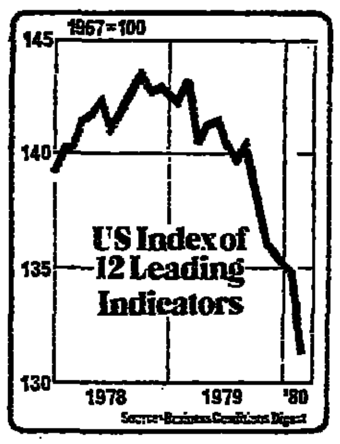
The index is supposed to be a pointer to future economic activity. The decline is the biggest monthly drop in more than *five years and the third* largest on record.

It comes on top of a revised 0.4 per cent fall in February. The index has now fallen for five of the past six months (it was unchanged in January), more than fulfilling its classically defined purpose which states that if it changes direction for a minimum of three months in a row, a fundamental shift in economic fortunes is pending.

Most economists believe the economy slipped into recession in February, as consumer spending finally tailed off and as key industrial sectors bent under the weight of high interest rates.

But the fiscal and monetary *package introduced* by the Government and the Federal Reserve Board on March 14 accelerated the decline.

Of the 10 indicators making up the March index, seven fell. These were: the length of the average work week; the rate of labour lay offs; stock prices; the money supply; raw material or wholesale prices; new orders; and building permits.



Stock prices have recently plunged in reaction to higher inflation and the mid-March credit curbs. And the slump in the housing industry has been judged by some as the most serious since the thirties.

Three indicators rose in March—a rise in new capital plant and equipment spending being the biggest single factor.

There has been a welter of economic statistics lately pointing towards a recession. Foreign trade figures released on Tuesday showed that imports had declined in volume terms by 9 per cent in March, a sure sign of a slowing domestic economy.

Unemployment edged up to 6.2 per cent in March, while industrial production dropped sharply.

There are, however, no firm signs that the recession is having the hoped-for effect of reducing the rate of inflation, which was running at an annual rate of over 17 per cent in the first quarter of the year, *according to the consumer price index.*

Government economists believe that relief may be in sight within the next three months, if not immeditely.

Their optimism is based on the view that interest rates will continue to drop, if only slowly, that OPEC will not increase international oil prices, and that the recession itself will begin to slow the rise in prices.

However, the index of leading economic indicators points to another danger the government is painfully conscious of—that the recession, far from being "mild" and "short," as President Carter is predicting, could turn out to be deep and long.

Yesterday a senior commerce department analyst felt obliged to draw attention to the fact that the performance of the index bore a marked resemblance to its record in 1974, when it heralded what turned out to be the worst recession since World War Two.

Sterling falls as gilts rise

By Peter Riddell and David Marsh

STERLING fell and prices of gilt-edged stocks rose yesterday as market expectations grew that U.K. interest rates will begin to decline during the summer. A cut in Minimum Lending Rate still looks unlikely before June.

Prices of long-dated stocks rose by a further £1¼ at one stage yesterday before closing £¾ higher to take the overall gain this week up to about £3.

In the foreign exchange market moderate selling of sterling was reported from the U.S. and Switzerland, but trading was not particularly active.

The pound dropped 1.15 cents against the dollar to $2.2585 after touching a low of $2.25. *Sterling fell from DM 4.08½ to* DM 4.06¾ after the increase in the Bundesbank's leading interest rates.

Consequently sterling's trade-weighted index dropped by 0.6 points to 73.2. This represents a 2 per cent decline from Monday's peak.

There is likely to be a lively debate within the Government before a decision si reached. The main new development has been the clear indication of strong political pressure for a cut, from the Prime Minister downwards. Official advice remains cautious both because of strong inflationary pressures and because of uncertainty about demand for bank loans.

The *mid-April* banking figures, due Wednesday, are not expected to provide a clear lead

Money Markets, Page 31

Bundesbank lifts interest rates

BY KEVIN DONE IN FRANKFURT

THE BUNDESBANK, West Germany's Central Bank yesterday raised its key interest rates to their highest levels since 1970, to tighten its monetary policy and bolster the fight against inflation.

The discount rate was raised by half a percentage point to 7.5 per cent and the Lombard rate at hwihc the Bundesbank lends against approved securities was brought closely into line *with money market rates with a* 1 percentage point incerase to 9.4 per cent.

While making credit more expensive, the Bundesbank has again acted to increase banking liquidity drained by the high level of capital outflows this year. Its foreign currency reserves haev fallen by DM 20bn (£4.9m) in the first four months.

Some DM 8bn liquidity has been added through a lowering of the banks' minimum reserve ratios by 8 per cent and a raising of the rediscount quota by DM 3bn to DM 38bn.

The Bundesbank is determined that Lombard credit should be used only to bridge short-term liquidty gaps.

Herr Karl Otto Poehl, Bundesbank president, said the banks' Lombard credit demands in April had risen to DM 10bn. Without yesteray's measures, this would have risen to some DM 16bn in May.

The Bundesbank was concerned that moves to expand liquidty would be misinterpreted and it had therefore *been necessary to raise interest* rates. The economic climate was very different from that in the U.S.,

The Bundesbank does not believe a fall in interest rates would be compatible with the need to attract capital inflows to finance the current account deficit. This is now expected to be anywhere up to DM 25bn this year, the largest industrialised country deficit.

Credit also had to be kept tight, Herr Poehl said, to ensure the bank's money supply target would be met.

At the moment, growth in its money stock, the Bundesbank's main benchmark for monitoring money supply growth, is running close to the upper limit of expansion of 5 to 8 per cent between the fourth quarter of 1979 and the fourth quarter of 1980.

West Germany's latest balance of payments figures show *the* current account slipped into DM 0.9bn deficit in March, against a surplus of DM 1.9bn 12 months before. This is some improvement on February's deficit of DM 2bn.

March exports totalled DM 31.3bn, against imports of DM 29.3bn.

This contrasts with a trade performance in February, which produced a surplus of DM 460m.

The current account is pulled down by the traditional deficit on invisibles, such as financial services and transfers.

£ in New York

—	Apr. 29	previous
spot	$2.2670-2680	$2.2825-2840
1 month	0.61-0.58 dis	0.13-0.07 dis
3 months	1.29-1.22 dis	0.74-0.68 dis
12 months	4.10-3.90 dis	2.75-2.65 dis

UK closer to oil self-sufficiency as North Sea output rises

BY RAY DAFTER, ENERGY EDITOR

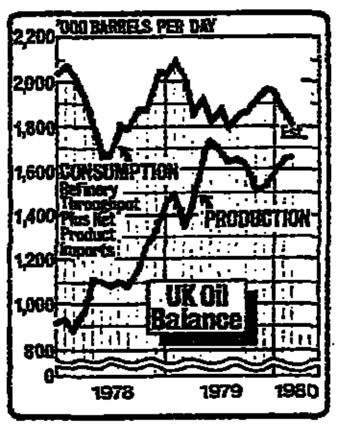
THE UK has moved closer to self-sufficiency in oil supplies. As a result of rising North Sea production and falling demand, that the country should become a net exporter of crude oil later this year.

Production figures released yesterday by the Energy Department show that during March, 14 UK offshore fields yielded an average of 1,688,932 barrels a day, more than 90 per cent of the country's needs.

Total output in March was 6.9m tonnes, almost 500,000 tonnes more than in the previous month, and about 25 per cent up on the production level in March last year.

Rising production from some of the fields already on stream, together with oil flows from new fields like Tartan and Buchan, should push the level of output to beyond 1.8m b/d in the second half of the year.

Meanwhile, it is thought that figures to be published today by the Energy Department will show that oil consumption is continuing to fall—a reflection *of mild weather* and general economic conditions.



Industry estimates suggest that UK oil consumption in February was running at a rate of 1.86m b/d, about 100,000 b/d lower than in January and almost 12 per cent down on the level in February last year. If this trend continues, oil demand for much of the summer and autumn will fall well below 1.8m b/d.

The extent to which the Government will allow North Sea oil production to expand is still far from clear. Cabinet members are torn between imposing a tough depletion policy—one that would keep output in step with domestic consumption levels—and a slightly more relaxed policy which would allow a modest net export level of perhaps several hundred thousand barrels a day.

The first option would help to preserve the UK's energy self-sufficiency for a few more years, while the second would please Britain's allies, particularly in the EEC. Western European countries, and the U.S., are hoping that the UK will expand

Continued on Back Page

Thatcher yields to EEC on oil, Page 3

LASMO may join bidding, Page 8

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For latest Share Index 'phone 01-246 8026

How Yugoslavia is trying to close its north-south gap

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

CONFIDENCE THAT the 35-year experience of living together in a federal socialist Yugoslavia has created a new society, strong enough to outlive its founder, has grown steadily over the three months of President Tito's illness. The collective leadership system hsa swung smoothly into action, and its leading members have been speaking with a new sense of authority.

The signature of a five-year agreement with the European Economic Community, coupled with evidence of a stronger determination to limit inflation, increase exports and depreciate the dinar to a competitive level have raised realistic hopes of more stable economic growth.

What is more, the Soviet intervention in Afghanistan has not only vindicated Yugoslavia's opposition to the Cuban theory that the Soviet Union is the "natural ally" of the non-aligned movement, it has also probably reduced the chances of future Soviet military intervention in Yugoslav affairs.

But a discordant note was struck last month, with the arrest and commitment for trial of some 50 alleged Albanian nationalists in the predominantly Albanian-speaking autonomous province of Kosovo, in Yugoslavia's "deep south." They are accused of spreading anti-government propaganda among the young, and of advocating "irredentist" views—union with Albania.

The decision to act fast and publicly reflects, in part at least, the Yugoslav authorities' desire to show they will tolerate no manifestation of potentially divisive nationalism.

Such viligance reflects awareness of Yugoslavia's turbulent past, and a desire to quash any resurgence, however minor, of the national, ethnic and religious extremism which split the country only a generation ago. This past is still very real to the present generation of political leaders. It seems very distant indeed to most visitors to contemporary Yugoslavia, and indeed to most of the new generation of under-35s who make up over 60 per cent of the population.

The creation of a federal state guaranteeing the rights of self-expression and equality for Yugoslavia's 18 ethnic groups, and devolving political power to the regions, has defused many tensions. But the political achievements of Titoism, reinforced by two decades of rapid economic growth, have not blinded Yugoslavs to the fact that their country is still a very heterogeneous place, which has to live with enormous economic as well as cultural, linguistic, religious and ethnic differences.

The essence of the Yugoslav solution has been the devolution of powers to the republics and the provinces, coupled with an all-Yugoslav commitment to reduce the huge economic differences through a special regional development fund. The goals have been set realistically low.

The development planners are aiming not to equalise standards of living in areas with such enormous cultural and historical differences, but gradually to reduce the gap by stimulating economic growth above the national average in the poorer regions.

The desire to limit large-scale internal migration is one factor in Yugoslavia's "north/south strategy."

Yugoslavia has over 750,000 unemployed, while Slovenia and parts of Croatia suffer from labour shortages. But the shortages are mainly of skilled workers and technicians, many of whom have been attracted abroad by higher salaries. What the Yugoslav authorities have tried to prevent is the enormous social problem which accompanied, for example, the unplanned migration of millions of Italians from the south to the overcrowded industrial cities of the north.

Instead, the emphasis has been on trying to create jobs and new homes *in situ*, a problem greatly complicated by the fact that the population is growing fastest in the four developing regions of Kosovo, Macedonia, Bosnia-Herzegovina and Montenegro.

Kosovo, for example, whose 1.2m inhabitants are over 75 per cent Albanian speaking, has a 2.8 per cent annual population growth, while in Slovenia, which enjoys a per capita income six times higher, the population is virtually stable. Greater prosperity and the move from the countryside to high-rise flats in the rapidly growing regional capital of Pristina, and such provincial centres as Pec and Prizpren, is cutting the Kosovo birth rate. But, up to now, this has been outpaced by greater longevity resulting from the construction of sewers and paved roads, and better health care generally.

> The creation of a federal state and the devolving of political power has defused many tensions. But the political achievements of Titoism, reinforced by two decades of rapid economic growth, have not blinded Yugoslavs to the fact that their country still has to live with enormous economic, as well as cultural, linguistic, religious and ethnic differences.

Unlike southern Italy, however, nature has endowed southern Yugoslavia with most of the country's raw material and energy reserves. Kosovo alone contains 38 per cent of Yugoslav coal reserves, 56 per cent of its lead/zinc deposits, most of its nickel, and large deposits of chromium, bauxite, silver/lead, and marble. The Trepca mining and smelting complex near Kosovska Mitrovica, for example, is one of the largest lead/zinc producers in the world. The other regions are similarly endowed and their mountainous terrain and fast-flowing rivers also give them enormous hydropower potential which is only partly-realised.

This natural wealth makes it easier to persuade the donor republics, principally Slovenia, Croatia and Serbia, that developing the south makes sound economic, as well as political sense. Indeed, as Yugoslavia's economic priorities shift in favour of higher energy and raw material investment, the pace of economic change in the south is expected to speed up.

One major example can be seen in the plans being finalised for the four large power stations to be built on the Kosovo lignite fields. Over 11bn tons of proven high-quality lignite suitable for strip mining has been found in Kosovo. Austrian, Swiss, Italian, French and West German interests are negotiating to import electricity in return for their investment in mining and power station development. The more industrialised, but energy-short regions of Yugoslavia are also taking part. Kosovo already exports over 70 per cent of its energy to other republics.

Such major investments, plus infrastructure and agricultural projects financed by the World Bank, are in addition to those provided by Yugoslavia's own regional fund. According to Mr. Clime Chorbe, the fund's president, each republic and province contributes 2.9 per cent of its gross national product to regional development. This proportion is fixed every five years by the Federal Assembly (parliament). Some 0.93 per cent is used by the Federal Government to finance various direct subsidies and grants. The remaining 1.97 per cent is administered by the fund in the form of soft credits. The sum disposed of by the fund has increased sharply from Dinars 9bn (£195m) 1966-70, to Dinars 53bn in 1976-79. Everybody contributes—but only four regions benefit. Bosnia, Macedonia and Montenegro receive 30, 23 and 12 per cent respectively, while Kosovo's share has risen steadily from 30 to 37 per cent. It also enjoys 17 years' grace on its loans, compared with three years for the other.

The results can be seen not only in the high-rise obuildings, new universities, power stations, factories and public buildings of Pristina, and the Macedonian capital of Skopje after being destroyed by an earthquake, but also in new roads, dams, irrigation projects and well-built new housing and schools in the villages too.

It is not unknown for Croats and Slovenes to grumble about the way their contribution is also spent on marble cultural and sports centres in the south. But, by and large, the political and economic logic behind the southern development policy is understood and approved. After all, they argue, Yugoslavia is mixed up enough as it is, without having to bear the additional strain of massive immigration from the south. In the last resort it is also better to invest in development than pursue the old pre-war policy of repression. Self-interest and altruism alike thus dictate Yugoslav policy towards the regions. So long as this attitude prevails, the prospects remain good for keeping regional rivalries within manageable proportions.

Italy promises help for car companies

BY RUPERT CORNWELL IN ROME

STATE AID for the troubled Italian car industry seemed more likely yesterday when the government permitted the industry to qualify for assistance from special funds voted by parliament for industrial restructuring.

The decision was taken by CICI, the special inter-ministerial industrial planning committee, and means that Fiat, Alfa Romeo and other Italian producers could benefit from L4,500bn (£2.3bn) allotted for the overhal of key sectors of the economy.

Government assistance to the car industry has seemed more and more necessary after not only Alfa Romeo, which usually makes a loss, but also Fiat, the country's largest private industrial group, reported a disappointing 1979 performance. The Industry Ministry will now prepare guidelines for the car sector. These will probably prepare the ground for a decision on Alfa's projected joint venture with Nissan of Japan in southern Italy.

Yet Sig. Giovanni Agnelli, President of Fiat, made clear yesterday that Fiat does not wish to live on government handouts.

The industry is looking for the kind of state aid that French car makers enjoy, Peugeot, when it took over the ailing Citroen group in 1974, received help that did not appear to entail state encroachment on a private company. The Italian companies want help in technology and research and development, as specific backing for new ventures.

But the Italian government has often shown itself to be unable to spend money, as schemes, though ratified, are bogged down in entangled bureaucracy or political feuding. Only a tiny fraction of the L4,500bn allotted to the Restructuring Fund has actually been spent, even though the money should be disbursed before the end of this year.

Further delays seem likely before the government approves the Fund's package to relaunch the loss-ridden fibres groups of Montefibre and SNIA Viscosa, because of new demands from socialist ministers, whose party has just returned to government for the first time in six years.

Norway to go ahead with drilling in northern waters

BY WILLIAM DULLFORCE IN STOCKHOLM

THE ACCIDENT to the Alexander Kielland platform in the North Sea on March 27, in which 123 people lost their lives, will not delay Norwegian plans to start exploratory drilling for oil inthe waters North of the 62nd parallel this summer.

In a report to Parliament yesterday, Mr. Bjartmar Gjerde, the Oil and Energy Minister said the Government saw no need to alter the earlier parliamentary decision to allow drilling off North Norway. Operating conditions entailed no greater risks, he said.

The Government's standpoint will be sharply criticised by environmental and fishing interests but it has the backing of reports on the accident from Det norske Veritas, the Norwegian marine insurance agency, from the Shipping Directorate and its own Ministry.

Mr. Gjerde said the Petroleum Directorate would put into effect the reporting committees' recommendations to reinforce safety on rigs and to restrict dispensations to operators who do not have the full quota of qualified staff.

Three Norwegian companies, the state-owned Statoil, Norsk Hydro and Saga Petroleum are expected to start drilling later this month in two blocks off the counties of Troms and West Finmark and one block further south in the Haltenbank area. They will use semi-submersible rigs of the Aker H-3 type.

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Thatcher yields to EEC on extra oil question

BY JOHN WYLES IN BRUSSELS

ALTHOUGH EIGHT EEC heads of government failed in Luxembourg to persuade Mrs. Margaret Thatcher, the UK Prime Minister, to accept their offers to settle the British budget problem, they did wring a potentially significant concession out of her on the energy front.

This is clear from the final communique procuced by one of the longest and 2ramatic summits in Community history. After many montis of pressure from West G·rmany and France, Mrs. Thatcher agreed to a statement tlat the Nine would consider tle possibility of increasing hydrcarbons production if there was an oil supply crisis.

This means that he UK has dropped its reluctane to discus a hypothetical incrase in its North Sea oil outpt if there was a total shortfallin supply to the EEC lower tha the 7 per cent which woul(trigger previously agreed Gmmunity crisis measures.

Mrs. Thatcher has this week pointed to the summit's energy declaration as evidence of progress made there, and, by implication, of her compromising mood.

However, it is understood that she flatly rejected a French draft which would have committéd the UK much more explicitly to raising oil production during a supply shortage and giving the Community priority access to the extra output.

The UK has long maintained that supply contracts give it very little margin for manoeuvre in redistributing North Sea oil deliveries. About 60 per cent of its total exports already goes to Community countries and it is pointed out that boosting output in a supply shortage would mean extra gas flaring and, therefore, a waste of energy.

Commission officials are satisfied with the energy section of the communiqué because it reaffirms the need to reduce dependence on imported oil and directs Energy Ministers to ensure better co-ordination of consumption policies to achieve this goal. It also instructs Ministers to examine the Commission's latest proposals for a harmonisation of energy taxes and for a central Community energy fund.

● EEC permanent representatives agreed yesterday that the next phase in the negotiations on the British budget problem should be determined by Foreign Ministers meeting here next Tuesday. Italy, currently occupying the Community presidency, is anxious that momentum built up at the summit should be maintained despite the final deadlock.

A statement of the final offer rejected by Mrs. Thatcher is likely to be produced for the Ministers along with some suggestions on the tricky problem of the duration of any deal.

S-W Asia may top Venice talks

BY JONATHAN CAR IN BONN

THE WESTERN sumrit confreence scheduled for ıne 22 and 23 in Venice, origirlly expected to concentra· on economic issues, is emeting as a forum to co-ordinate sategy on the Afghanistan an· Iran crises.

West German officials ‹pect that by late June economisanctions will have been inosed against Iran and that nost Western nations will ıave agreed to boycott the M·cow Olympics. There are few·igns that either step can be avded.

Thus close consultation·vill be needed between the Uted States, its major Euro·an partners and Canada and J·an on what the next step shld be. The Venice meetingis thought to provide a ƥd opportunity.

Suggestions of high-lel meetings between the U.S. d its main allies to discuss e crises have not been taken p hitherto, partly because of fes in Europe that they might impair independent, national ddecision-making.

Quite apart from the pressure of the crises in South-West Asia, it is also clear that no particular economic problem is emerging as the central issue in Venice, in contrast to last year's meeting in Tokyo, where energy was the dominant theme.

Thrashing out

Special representatives of seven summit leaders have been thrashing out a possible agenda for the session. Results so far indicate that while the summit wil stress the need to save energy and develop alternative to oil, no surprises are to be expected. Recommendations will not differ markedly from those to be outlined at a ministerial meeting of the International Energy Agency on May 21.

North-South issues will also be raised but the leaders are thought unlikely ·to commit themselves to any new course in advance of United Nations discussions on the same topic expected in the autumn. Further, all participating nations are already fighting inflation so that a Venice declaration would do little more than strengthen the position of some participating Governments at home as they continue their efforts.

It is also understood that the French may present new proposals on world monetary reform, in accordance with President Valery Giscard dEstaings pledge last year. But they have not emerged yet and senior U.S. representatives in Hamburg last week for the International Monetary Fund discussions indicated that, without reasonable warning and preparation, they would not be prepared to discuss a French plan in Venice.

Communists lose ground with Spanish workers

By Robert Graham in Madrid

SPAIN'S Socialist General Workers Union (UGT) has made a major advance in the Spanish trades' union movement at the expense of the Communist Confederation of Workers Commissions (CCOO).

At the car manufacturer, SEAT, whose 32,000 workers have traditionally set the pace in the trades union movement, 78 Socialist delegates have been elected against 46 for the Communist group. This compares with the 57 delegates obtained by the Communists last time and 54 by the Socialists. At a large Barcelona plant employing 23,800 workers, a stronghold of the Left, the Communist Confederation gained only 24 delegates against the UGT's 30.

The SEAT elections have become a test of the socialist union's moderate policy towards wages and management. Last July, UGT signed a co-operation agreement with the employers federation in an effort to boost its declining strength. Earlier this year, it signed a two-year agreement on work conditions that ...the Communist confederation called a sell-out

SEAT has been one of the main centres of UGT's battle to end the dominance of the Communist confederation. In January, UGT opposed a strike at SEAT, but the confederation backed by other independent Left unions persuaded the workers in Barcelona to stay on strike for 11 days. The strike failed to achieve a better wage offer.

Strong anti - Communist propaganda over the future of SEAT and its Turin-based partner, Fiat, has helped the Socialist union gain strength.

Deficit fears fail to deter Barre

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government is now resigned to a substantial current account deficit this year because of the rising cost of oil imports and a slowdown in world activity.

M. Raymond Barre, the Prime Minister, said yesterday the payments deficit will be around FFr 22bn to FFr 23bn (£2.3bn-£2.4bn) against a surplus of FFr 6.2bn last year. Growth will fall to 2.5 per cent from 4 per cent in 1979.

Economic activity is expected to continue at a reasonably high level at least until the summer. But signs of a decline in consumer spending have emerged in the last few days and the Government believes that the economy in general will stagnate in the second half of the year.

But these unfavourable prospects will not mean any relaxation in his austere economic policies, M. Barre said.

In a speech to business leaders, he said the answer to the balance-of-payments problem lay in measures to economise on energy—and imports—while continuing to strengthen the country's industry. Industry will be encouraged both to export more, by support for such sectors as food processing, and to recapture the domestic market.

M. Barre rejected criticism that inflation, which was running at a rate of 16.8 per cent in the first three months, has been exacerbated by his policy of price liberation. The policy will be pushed through to its conclusion to make French companies more competitive, he said. The main weapon against inflation will remain tight monetary policy, chiefly through strict limits on the growth of bank lending. M. Barre has also made clear that the Government will do everything in its power to prevent the budget deficit exceeding the target of FFr 30bn this year.

Bonn approves £435m addition to budget

BY ROGER BOYES IN BONN

THE WEST GERMAN Govermnet yesterday approved a DM 1.8bn (£435) supplementary budget enabling it to raise defence spending by DM 900m, or 3 per cent in real terms, and to step up its aid to Turkey.

Herr Hans Matthoefer, the Finance Minister, said DM 250m of the increased defence budget would go towards heating and fuel costs and DM 140m towards stocking and munitions. Over DM 300m will go to pay wage increases to military personnel.

A key part of the supplementary budget will go to Turkey as part of West Germany's contribution to strengthening the southern flank of NATO in the wake of the Soviet invasion of Afghanistan. DM 170m will go directly to military assistance to Greece and Turkey while the supplementary budget as a whole makes provision for DM 295m aid to Turkey.

This sum was agreed as part of the Organisation for Economic Co-operation and Development's aid efforts to bolster Turkey's ailing economy. The West Germany contribution was matched by the U.S. although Herr Matthoefer pointed out yesterday that Bonn's aid was given on easier conditions.

The rest of the supplementary budget is directed largely at meeting higher wage costs in the public sector, educational subsidies and additional interest on public debt.

The Finance Minister said that because tax revenue is expected to fall in the coming year, the public borrowing requirement would be raised by DM 1.6bn to DM 25.9bn (£6.3bn).

The supplementary budget has only been made possible through considerable cheeseparing on the part of several ministries, especially Transport. Herr Kurt Gscheidle, the Transport Minister, has had to save DM 562m, largely by cutting plans for motorway extensions, investment grants for the federal railways and internal waterways. The Economics Ministry had to cut a planned DM 147.8m, including assistance for the aerospace and shipping industries, while hte Research and Technology Ministry has sliced DM 145m from its budget.

Herr Matthoefer made clear, given the financail pressure in Bonn, that he would have great difficulty finding the money to back up Chancellor Helmut Schmidt's offer of DM 1.25bn to Britain at the European summit earlier this week. He would not be able to support an offer of the same magnitude in future.

Amsterdam riots as Beatrix takes over

BY CHARLES BATCHELOR IN AMSTERDAM

PRINCESS Beatrix was yesterday invested as Queen of the Netherlands in Amsterdam as police fought gangs of stone-throwing youths only a few hundreds yards away. Queen Juliana relinquished the throne after a rule of 31 years.

The Dutch Royal Family, MPs from both Houses of Parliament and representatives of many foreign countries, who included the Prince of Wales, were aware of the rioting, which began as a protest against the housing shortage. As the afternon wore on police cordons were drawn up on Dam Square, only a few yards from the New Church where Queen Beatrix, who is 42, took the oath of allegiance.

Areas of central Amsterdam became a battleground as a march by squatters, swelled to several thousand by gangs of youths intent on fighting the police, approached the heart of the city.

Riot police backed by reinforcements from many other cities used batons and teargas as the demonstrators tore up paving stones, smashed shop windows and set fire to cars.

Five thousand police were unable to prevent the worst street violence seen in the city since the mid-1970s. About 100 people, including police and demonstrators, were injured.

Reuter adds from Copenhagen: Much of the centre of the Danish capital was cordoned off yesterday after violent demonstrations on Tuesday night against plans to build apartments on a recreation area. Police said 119 people were arrested and 15 were charged with assaulting the police.

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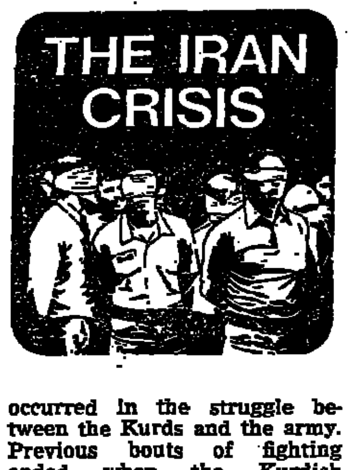
Kurdistan fighting goes on despite call for ceasefire

BY SIMON HENDERSON IN TEHRAN



FIRING continued yesterday in the Kurdish region of west Iran despite the declaration of a ceasefire. Fighting between Kurds and central Government forces in the area has been going on for a fortnight.

The Kurdish Democratic Party, the main political body of the autonomy-seeking Kurds, said that the army had lobbed about 40 shells into the town of Sanandaj since the ceasefire had begun. The party said its forces were not returning the fire.

The ceasefire was declared by the Kurds themselves and the army was ordered by President Abul-Hassan Bani-Sadr to observe it provided they were not being fired on. A "goodwill mission" from the Government has arrived in Mahabad, another Kurdish town, to arrange a more permanent ceasefire.

Although the situation is still confused, the ceasefire appears to have been called after many Kurds, most of them civilians, had been killed. The towns of Sanandaj and Saqqez have been under fire from Iranian artillery and aircraft. About 1,000 people are believed to have died on both sides, including many women and children.

It is not clear whether any basic shift in power has occurred in the struggle between the Kurds and the army. Previous bouts of fighting ended when the Kurdish fighters moved into the hills. After a few weeks of relative calm they moved back into the towns and the army and revolutionary guards seldom tried to enforce control much beyond their own barracks.

The Kurdish struggle for autonomy is watched carefully by other ethnic minorities in Iran. Travellers to the north-east region report that the Turkomans are expecting a Government push against them to start when the Kurdish fighting has died down.

Meanwhile tension has increased at night in Tehran after the shooting of a Kuwaiti diplomat. He was seriously injured, apparently in error, after his car was stopped at a road block by revolutionary guards. Just after midnight on Tuesday, an Iranian air force Phantom fighter buzzed the city. It was said to have been scrambled to investigate an unidentified flying object.

The shooting of the Kuwaiti occurred soon after Mr. Sadeq Cotbzadeh, Iran's Foreign Minister, had narrowly escaped an assassination attempt while on a visit to Kuwait, but the two incidents are not thought to be connected.

Reuter reports from Washington: A second incident involving U.S. and Iranian aircraft occurred over the Gulf on Tuesday, the Pentagon reported yesterday. The incident occurred about five hours after the earlier one reported on Tuesday and again involved an Iranian C-130, which was escorted b ytwo F-4 Phantom fighters.

The aircraft were sighted heading towards the U.S. naval battle group headed by the carrier Nimitz and were escorted back to Iranian airspace by an F-14 from the carrier. As in the first encounter, no shots were fired, the Pentagon said.

Peking admits to 6% inflation

By Tony Walker in Peking

CHINA yesterday released its most detailed set of economic statistics which include previously unpublished material such as inflation figures.

Detailing China's economic performance in 1979, the figures show that increases in retail prices last year reached almost 6 per cent, the first time China has officially mentioned an inflation rate.

The national income figure was 337,000m yuan which means China's per capita income is about 350 yuan (£102).

The figures, released by the State Statistical Bureau, show an improved performance in almost all areas of economic activity. The value of industrial and agricultural output increased by 8.5 per cent last year and exceeded the national economic plan by 1.5 per cent.

Most surprising figure was that for grain production. China claimed grain output of more than 332m tons. This is a significantly revised figure from the 315m tons announced at the end of December. The 1979 increase in grain was an impressive 9 per cent. The statistical bureau offered no explanation for the revised figure.

Most of the other figures published have already been released since the end of last year. The most important production figures were: coal, 635m tons (up 2.8 per cent), crude oil, 106m tons (2 per cent) and power generation, 281 kilowatt hours (9.9 per cent).

The Peking figures also claim a population of 970m. The population increase per thousand was 11.7, significantly more than the 11.2 previously announced. Again, there was no explanation for the revised figure. China's population grew by more than 12m people last year. The birth rate was 17.9 per thousand. The death rate was 6.2 per thousand.

The higher than expected population growth figure is bad news for the authorities who are trying to get the population increase down to five per thousand by 1985

Other figures published for the first time include foreign visitors, employment of jobless youth and various price indexes. The total of foreigners to visit China last year was 4.2m, more than twice the number for the previous year. Income from foreign exchange in 1979 was 696m yuan, 54 per cent up on 1978.

The national wage bill for 1979 was 64,700m yuan, an increase of more than 13 per cent on the year before, due to the introduction of bonuses, piece-work pay and subsidiaries for price rises.

More than 10m bicycles were produced last year, 1.3m television sets, 186,000 motor vehicles and 126,000 tractors.

MUSKIE FOR THE STATE DEPARTMENT

Carter finds a friend in need

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE SINGLE most important quality Senator Edmund Muskie has to offer President Jimmy Carter may well lie beyond the foreign policy advice a Secretary of State is supposed to provide. For the President of the United States at his Tuesday night Press conference looked in need not so much of more wisdom, but of the comfort of simple friendship.

Mr. Mr. Carter has aged beyond his present 55 years in his thre-and-a-half years in the White House has been apparent for some time. But never before had the strain been so upblicly obvious. Through all hist rials, the had never lost his facility at the Press conference, where his command of disparate material and deceptively quick wit have often been well displayed.

But, on Tuesday night, Mr. Carter was breathing hard between questions, and nervously licking his lips more than is his wont. So much can be explained by his anger at what he called the "ghoulish" behaviour of Iranians waving aloft the charred limbs of Americans killed in last week's mission and his disappointment that the raid had failed. But it is surely more the result of his six-month imprisonment in his own home pursuing a solution to the Iran impasse, relieved only by an occasional escape to his Camp David retreat.

Earlier this week, Senator Robert Byrd, the Democratic majority leader, suggested Mr. Carter ought to leave the White House, not so much to further his re-election but to get in touch once more with the American people. At least, in Senator Muskie, the craggy, Lincolnesque "man from Maine," he has someone with a fair breadth of national experience.

It emerged yesterday that relations between the senator and the President have been on more than a business basis for some time. Mr. and Mrs. Muskie have on several occasions dined privately with the Carters in the White House. This is a marked change from 1976, when Mr. Muskie never really warmed to Mr. Carter's candidacy and when he displayed his notorious prickliness when interviewed by the nominee-elect for the vice-presidential nomination (one report says that event was more a question of Mr. Muskie interviewing Mr. Carter).

His temper is well known. But so is his sense of his own dignity and stature, acquired after 22 years in the Senate, after two national election campaigns and, now he has partly recovered from a crippling back ailment, after six effective years as chairman of the Senate Budget Committee.

At 66, Mr. Muskie is beyond conventional political ambition. He might well have not run for re-election when his Senate term expired in 1982. To be Secretary of State, no matter for how long, might well seem the logical culmination of a lifetime of national service.

His personal qualities will undoubtedly be felt at the State Department, compensating, perhaps, for his relative lack of experience in foreign affairs. Significantly, when his appointment was announced, he said, pointing a figurative finger at Dr. Zbigniew Brzezinski, the National Security Adviser: "The President has left no doubt in my mind that I will be the foreign policy spokesman for the Administration."

Dr. Brzezinski will clearly be able to run rings round Mr. Muskie on foreign policy technicalities, although if the State Department's top brass pulls behind the new secretary he will not lack expert advice. But, if confrontations between the two Poles (Mr. Muskie is the son of an immigrant tailor) do develop, the senator is unlikely to take Mr. Vance's bureaucratic route, but rather to use his personal reputation as his sword, accompanied by a few four-letter words.

President Carter introduces his choice for Secretary of State, Sen. Edmund Muskie.

In the Senate, Mr. Muskie's main foreign policy preoccupation was agreement on a Strategic Arms Limitation Treaty (SALT) with Moscow. A member of the Foreign Relations Committee early in the 1970s, he left it to concentrate on budget matters, but rejoined in 1978 to help pilot the SALT treaty through the upper house. He has more than once expressed his regret at the passing of detente, of which SALT was the symbol.

Otherwise, his positions on many issues are not well-known. As a presidential candidate, he kept to the classic "dovish" argument dominating the Democratic Party as the Vietnam war unwound. As such, he tended to stand behind Israel though, in later years, he has shown himself receptive to the Arab cause so eloquently put to U.S. audiences by President Anwar Sadat.

Mr. Muskie's past record, however, prompted Mr. Ronald Reagan, the likely Republican Party presidential nominee, to sound a lone dissonant note when he said he doubted the new secretary would be "tough enough" on central foreign policy items.

But, as President Carter sought to re-assure domestic and international opinion by selecting an establishment politician to succeed Mr. Vance, the most valuable re-assurance Mr. Muskie can offer may be the quality of friendship.

Ohira to press for caution

By Charles Smith in Tokyo

JAPAN'S Prime Minister, Mr. Masayoshi Ohira, is likely to urge President Carter to show more patience in handling the Iranian problem when he meets the U.S. President in Washington this afternoon.

... The two-hour session will be devoted mainly to international affairs generally, including Iran and Afghanistan.

... Mr. Ohira is not expected to make any explicit criticism of recent U.S. moves. But he will certainly put heavy stress on the need for a peaceful, negotiated solution to the Tehran problem. Japan feels it has a right to speak on the matter given its support for economic sanctions against Iran.

... Mr. Ohira's single session of talks with Mr. Carter will be the most important event of an eight-day tour which began yesterday when he left Tokyo for Washington. ... ...

... The remainder of the trip will take the Prime Minister to Mexico, where he will discuss an increase in the supply of Mexican oil to Japan in return for co-operation in industrial development, and to Canada. Mexico is committed to step up its oil shipments to Japan to 100,000 barrels a day by the end of 1980 but Mr. Ohira may ask for this figure to be doubled or trebled in 1981. ...

Given the importance of the Iranian and Afghanistan issues, Japanese officials hope that purely bilateral issues can be relegated to second place in the Ohira-Carter talks.

In particular, it is hoped that President Carter will not want to dwell at length on the car export issue, which has been causing friction between the two countries...

Defence may occupy most of the remaining time available for the talks.

Saudis urge Islamic move on hostages

BY IHSAN HIJAZI IN BEIRUT

THERE ARE signs that Saudi Arabia is attempting to mediate betwen Iran and the U.S. for the release of the U.S. hostages in Tehran.

A four-point plan for resolving the problem peacefully through the Foreign Ministers of Moslem countries who are due to meet in Islamabad on May 17, has been aired in the Saudi Press. Though not directly controlled by the Government, Saudi newspapers are heavily subsidised and attempt to reflect official policy.

The Ministers will meet within the Organisation of Islamic Countries which has its headquarters in Jeddah. The Islamic Conference was among international bodies invited by President Abol-Hassan Bani-Sadr of Iran to send delegations to study the situation after the failed U.S. attempt to rescue the hostages.

The daily newspaper, Al Jazira, published in the Saudi capital, Riyadh, suggested that the Islamic Foreign Ministers should seek guarantees that the U.S. will not interfere in Iranian internal affairs in future and will lift all economic sanctions against Iran, including the release of Iranian deposits.

In return, the ministers would guarantee that no harm would negotiations were underway to secure their freedom.

The proposals are within the spirit of a Saudi Government statement issued earlier in the week which expressed concern and sorrow over the U.S. attempt to rescue the hostages by force and urged both countries to exercise restraint.

Al Jazira's plan indicates that Saudi Arabia and the Gulf states, frightened by the deterioration in conditions in the Gulf, may now be ready to exert stronger presure to end the crisis between Iran and the U.S.

Qotbzadeh has lukewarm reception by Kuwaitis

BY ANDREW WHITLEY IN KUWAIT

MR. SADEQ QOTBZADEH, the Iranian Foreign Minister, appears to have failed to secure Kuwaiti endorsement of Iran's position in its confrontation with the U.S. and Iraq. He left for Abu Dhabi yesterday morning.

A brief, lukewarm statement by Kuwait yesterday noted only that the circumstances demanded more meetings between "friends." But Iranian deplomats here insist that the talks went well.

In his statement, Sheikh Sabah al Ahmed al Sabah, the Kuwaiti Foreign Minister, said he regretted the attempt on Mr. Qotbzadeh's life on Monday, an incident which has caused the Government much embarrassment. Two men are said to have been arrested.

The Kuwaiti Press, meanwhile, has been critical of Iran's policies. The Arabic daily, Al Anbaa, attacked Iran for giving "imperialists the reason to destroy the Gulf," by requiring that Arabs agree to the demands of the Iranian militants holding the U.S. hostages.

The newspaper also questioned the reasoning behind the revival of long-standing disputes between the Arab states of the Gulf and Iran, which in 1971 seized the islands of Abu Musa and the Tunbs, hitherto regarded as belonging to Sharjah and Ras al Khaimah.

At a press conference on Tuesday, Mr. Qotbzadeh said the Iranian revolution had been misunderstood by the Arabs.

New oil deposits near Daqing

SIX NE Woil deposits have been been found near Daqing oil field in north-east China, the New China News Agency reported yesterday.

The six deposits are to be developed into a satellite oil-field and are expected to produce 3m tons of oil a year.

Brazil may seek new IMF credit in 1981

By Our Peking Correspondent

BRAZIL MIGHT apply for the International Monetary Fund's new credit facilities in 1981, if, in the words of Sr. Ernane Galveas, the Finance Minister, "international finance market conditions deteriorate."

Sr. Galveas insisted this week that Brazil would not turn to the IMF this year—its terms, he said, were not attractive at the moment. But if IMF proposals went forward for new credit facilities to finance the balance of payments deficits of non-oil exporting developing countries, he indicated, Brazil would be interested in participating in the scheme next year.

Faced with a $10bn (£4.4bn) oil bill this year, a $1bn trade deficit in the first quarter of 1980, and debt servicing requirements of about $13bn over the year, the Government is struggling to reduce non-oil imports.

The Government recently introduced a 15 per cent tax on foreign exchange transactions for import purposes in the hope of discouraging the private and public sector from buying abroad. The aim is that at the end of the year trade will be balanced at $20bn-worth of imports and exports.

Persistent inflationary pressures have meanwhile put paid to the Administration's hope of ending 1980 with no more than 50 per cent inflation. During a recent visit to West Germany, Sr. Delfin Netto, the powerful Planning Minister, admitted that inflation could run in excess of 76 per cent this year, after 77 per cent last year.

Lance acquitted on nine charges of bank fraud

BY DAVID BUCHAN IN WASHINGTON

MR. BERT LANCE—the long-time friend of President Jimmy Carter who served as his Budget Director until autumn 1977—was yesterday acquited on nine charges of bank fraud. Three co-defendants were also acquitted of similar charges.

But Mr. Lance could possibly stand trial again, because the judge in the Atlanta Federal Court declared a mis-trial on three remaining charges of violating Federal banking laws, when the jury failed after prolonged deliberation to deliver verdicts on these.

Whether this will happen is up to the prosecutors, who believe they had arrayed a formidable case against the former Budget Director. Mr. Lance said he was delighted with the non-guilty verdict, which he said he had expected all along.

Mr. Lance was basically accused of using his position as head of National Bank of Georgia, until he came to Washington in early 1977, to award himself, associates and relatives, loans and overdrafts without proper security, in violation of banking practices.

One of the defendants, who were all Georgians, was yesterday exonerated on all counts while two others were partially acquitted, like Mr. Lance.

Miller hopeful on Chrysler

BY IAN HARGREAVES IN NEW YORK

THE BOARD which must decide whether the Chrysler Motor Company has qualified for the loan guarantees it needs to survive, will meet again today, after the strongest public indications so far that the company will get what it wants.

Mr. William Miller, Treasury Secretary and chairman of the Chrysler Loan Guarantees Board, said after a delayed meeting of the board on Tuesday evening, that a decision would probably come on Friday or Saturday.

He complimented Chrysler on the quality of its car models due for launch in October, and suggested that no major hurdles stood in the way of a positive vote by the board.

Bankers, too, expect the plan to go through, although lenders are not likely to sign legally binding documents this week.

In previous rescue packages, none of which match the complexity of the Chrysler deal, the lead banks have found numerous smaller banks seeking to disentangle themselves once the big banks have committed themselves in principle to an agreement.

The big banks will exert maximum pressure to prevent such a development this time. They may well be helped by an explicit condition in the board's ruling that all lenders must keep existing loans in place and participate in the deal.

Jamaica gunmen mar election campaign

By Canute James in Kingston

CAMPAIGNING FOR this year's general election in Jamaica has been accompanied by violence in several politically volatile areas of Kingston, the capital.

In the latest incident, late last month, uniformed gunmen armed with what the police called "sophisticated weapons" attacked a dance hall in the constituency of Mr. Michael Manley, the Prime Minister. People fleeing the attack were fired on. Five died, 12 were taken to hospital.

The week before, Mr. Manley himself was attacked by gunmen as he toured his constituency, and a bodyguard was hurt.

Violence has become a feature of Jamaican elections over the past decade, but the dance hall incident seems even more vicious than the customary skirmishes. Just before the 1976 elections, though, arsonists set fire to a block of flats in Kingston, and killed 11 of the fleeing residents.

The two major parties, the ruling social democratic People's National Party, led by Mr. Manley, and the opposition conservative Jamaica Labour Party, led by Mr. Edward Seaga, may disclaim connections with the gunmen, but many Jamaicans believe in the political link—the guilty party being "the other side."

The employment of gunmen as a political argument is generally believed to have been the work of politicians in the 1960s who believed that force could influence voters, and that driving fearful voters from an area where one party was known to be strong gave the other a better chance.

Both Mr. Manley's party and the Opposition Labour Party deny they give the gunmen patronage. Poltical observers say those who originally organised the gangs created a monster beyond even the security forces' control.

The campaign's very length could dampen the violence. No firm election date has been set, but Mr. Manley said in February that it would have to wait until a bi-partisan committee had finished its study on electoral reform. The committee has since said it could finish by June. Summer elections are thus a possibility.

This would give Mr. Manley enough time to head off what appears to be certain defeat. Recent polls have given the Opposition 57 per cent of popular support, with 40.7 per cent for the ruling party and 2.3 per cent for the Communist Workers' Party of Jamaica. If this were reflected in voting the present distribution of parliamentary seats (47 to 13) would be reversed. The Communists are not contesting the election.

Mr. Manley said he was calling the election—constitutionally due by December next year—to get a mandate for a new economic policy which would exclude assistance from the International Monetary Fund. The Government recently broke off talks with the Fund.

French threat to Carter's freeze on Iranian assets

David White reports from Paris on Iran's long drawn-out court case to recover the $51.7m it is holding in the Paris branch of Citibank

A 60-YEAR-OLD Frenchwoman has in her hands a key element in the war of nerves between Washington and Tehran. Mme. Simone Rozés is the chief arbiter in a dispute threatening one of President Jimmy Carter's first retaliatory measures against Iran, the blocking of official Iranian assets.

She is the presiding judge at the Paris Tribunal (Tribunal de Grande Instance), the court dealing with major civil litigation in the French capital. Any day now it is due to announce its final decision on a claim by Bank Markazi, the Iranian Central Bank, for the release of $51.7m from the Paris branch of Citibank.

To what extent the freeze is enforceable outside the U.S. has been an open question since President Carter announced it in November. This case, pitting a U.S. executive order against French banking law, is the first real test. Potentially, it will affect not only Citibank but virtually all the big U.S. banks' Paris branches. Bank of America has already faced an initial suit for an amount twice as big as Citibank's, and other large deposits have fallen due, or are about to.

At the time of the freeze, as much as $4bn, about half the total of Iranian foreign currency holdings said to be affected, was believed to be held in branches outside the U.S. The fate of much of that now lies in the balance in Paris.

Behind the case looms the question of Western solidarity with the U.S. over the Iran crisis. The French authorities have taken no line on Iranian assets, although Iran's 10 per cent holding in the Eurodif uranium enrichment consortium has been blocked by court order for the past five months because of default on contractual payments.

After last week's gesture of support for President Carter from the European Community and Japan, the impending court decision will have an obvious psychological impact in the U.S.-Iran conflict.

This conflict has a "French connection" in at least two respects: in both, the connection passes through the same firm of lawyers. M. Francois Chéron, M. Christian Bourguet, and M. Bertrand Vallette are understood to have acted as secret go-betweens between the Iranian Government and Mr. Hamilton Jordan, the White House aide, over the U.S. embassy hostages, as well as being involved in attempts to extradite the Shah when the latter was in Panama. Bank Markazi is also retaining them to seek recovery of its overdue deposits in Paris.

The Iranians' apparently exclusive reliance on this Paris law firm is perhaps part of the reason they have chosen to concentrate on the Citibank case, rather than tackling several banks at once.

In the course of four court hearings, the Citibank case has become bewilderingly complex. There are precedents for the U.S. blocking funds held by other countries, including its Second World War enemies, as well as China, Cuba, Vietnam and Cambodia, but there is no precedent for this kind of dispute in a French court. The protagonists are moving through an unmapped territory of such issues as the intrinsic nature of a U.S. dollar—a question of no mean interest to the Eurodollar market—by a *path which twists according to* principles known neither to the Islamic nor the Anglo-Saxon mind, those of the French legal process.

This is the story so far. On November 14 last year, as the heat mounted over the Shah's exile and the seizure of the U.S. Embassy, President Carter invoked emergency powers to stop Iran using the "money weapon"—pulling its foreign currency reserves out of U.S. banks. A week later, Bank Markazi's time deposit with Citibank in Paris reached maturity.

On December 12, the Paris Tribunal heard Bank Markazi's first suit, amid an air of ludicrous confusion. It turned out that, unknown to the Iranians' lawyers, Bank Markazi had agreed for the deposit to be rolled over, first for a fortnight, then for a second fortnight, at a special interest rate. The court decided there was no decision to be taken. On December 21, when the funds were well and *truly two days overdue,* it decided it was not competent to judge the case under summary proceedings.

Then, on January 16, the Iranians made a very clever move. They had a bailiff place an attachment order on a sum, equivalent to its $51.7m held by Citibank, partly at the Bank of France, where the U.S. bank has compulsory non-interest-bearing reserves, and partly at Banque Internationale pour l'Afrique Occidentale, which it uses for clearing purposes. A bailiff is a low-level legal officer who usually spends his time doing such things as checking how many pin-hoes a flat tenant has made in his sitting-room wall, but to issue an attachment order he has only to *satisfy himself* that a debt is genuinely outstanding. Citibank appealed. The court stood by the bailiff.

In this way, after first trying to obtain their funds in sterling to settle food import contracts, and then in French francs, the Iranians theoretically gave themselves a fall-back chance of obtaining compensation. They were a point ahead.

On February 11, Bank Markazi sued Bank of America for $103m (principal and interest) and the court again decided against a summary judgment. For the first time, the real philosophical and legal arguments began to emerge. Bank of America said it had offset the deposit against U.S. claims on Iran and taken the money out of the country. Bank Markazi applied for the funds to be put in escrow—that is, under the authority of third parties—until the case was settled. The court refused. The Americans won back a point.

On March 17, the full Citibank case was heard. Before three judges, two lawyers for each side presented their depositions and expounded the principles of their respective cases for a total of six hours. There were no witnesses. At the end, Mme. Rozès said she would let them know in due course, and that was that.

The basic Iranian argument is straightforward. Any banking branch registered in Paris is by law a French bank, and French banks are compelled to honour their debts on pain of being declared bankrupt.

Citibank recognises the debt, but says that it can repay it only through New York, and that thet way is blocked. It claims the original transaction was made with Citibank in New York and that the funds were placed in Paris solely for convenience.

The more complex side of the U.S. bank's case entails an arcane point about the nature of a foreign exchange contract, and the argument that the U.S. dollar is the currency of one country and that major transactions have to be cleared through that country, in which case they come up against President Carter's order. (This argument raises some intriguing questions. What happens to Panama or Liberia, which use U.S. paper currency? And what is a Eurodollar?)

Then they have what is known as "the IMF argument." The U.S., says Citibank, went to the International Monetary Fund on November 29 and presented the freezing of Iranian assets as a form of exchange control. By not taking action within 30 days, the fund's board of executive directors (under Article 8, Section 2B), had given its implicit consent.

France — the argument goes — is a signatory of the Fund's articles and therefore has to recognise the measure as part of French law. Mme. Rozes succeeded in fudging this issue by digging up another Fund article about disagreements between members. She said she would have to ask the Fund's view.

French bankers, looking on, still hope a compromise can be struck. Some fear that a verdict in Citibank's favour, which is most unlikely to state outright that a U.S. executive order was valid on French soil, would damage Paris's reputation as a banking centre and, more particularly, as a safe place for the Arab funds which have been flowing in in recent months.

Legal experts seem to agree there is no way that, by upholding Bank Markazi's claim, the court would be opening access to any frozen funds except those registered at French branches. But such a decision would place Citibank's Paris director, as a U.S. citizen, in an impossible legal position. The possibility cannot be discounted that the bank (which has declined throughout to comment on the case) would still refuse to pay, and that this legal wrangle, followed by others, would drag on until the freeze was over.

But an end to the freeze *would seem to depend not only* on a solution to the hostages problem, but also on the restoration of confidence in Iran's willingness to honour its financial obligations. Mme. Rozes may have a lot of work between now and then.

WORLD TRADE NEWS

BOTB hit by cuts in export services

BY ELAINE WILLIAMS

EXPORTERS FACE increased costs and less support from the British Overseas Trade Board because of cuts in export services the BOTB announced yesterday.

The BOTB is cutting £1.8m from its budget this year and is reducing staff by 100, 10 per cent of its total work force. Next year the board will cut its direct expenditure by £4m increasing to £4.8m in 1982 and £5.8m the following year.

To achieve this the Overseas Project Fund, which is used to help large companies prepare bids for large overseas contracts, is to be cut by £500,000 to £4.7m.

Companies will also be expected to pay more towards the cost of exhibiting in overseas trade fairs. This will save about £920,000 this year alone. The BOTB is to increase its charges to companies so that it recovers 50 per cent of its direct costs.

Also, fringe benefits for companies such as travel expenses and support for freight costs will be withdrawn by 1981 except for companies exhibiting overseas for the first time.

From next year the number of outward missions supported by the BOTB will be halved. The board estimates it will save about £500,000 a year. It will concentrate more on Government-backed missions rather than private ones.

The Export Marketing Research scheme, which provided assistance for projects within the EEC is to be withdrawn as are both the board's European Components and Overseas Traders List Services. Lord Limerick, the BOTB chairman, said that services cuts have been made to the less successful of the board's services.

The Rayner Report, which was prepared for the Department of Trade under the guidance of Sir Derek Rayner on the future of services to exporters, also recommended the ending of the Market Entry Guarantee Scheme. But the BOTB has decided to continue the scheme in its present form.

Resurrecting Britain's goodwill in North Yemen

BY JAMES BUXTON

JUST AS British companies are bracing themselves for possible difficulties in trade with Saudi Arabia, diplomats and businessmen are trying to rebuild Britain's trade relations with Saudi Arabia's southern neighbour, North Yemen, after a long-standing row which has certain similarities with the Saudi-British dispute.

While the Saudi Government was infuriated by the showing on British television of a film to which it objected but which the British Government could do nothing to stop, the North Yemeni Government was angered by the impounding at Heathrow airport of a Yemenia aircraft by order of the High Court—beyond British Government control.

The aircraft, a Boeing 727, had come to take the North Yemen Prime Minister, Mr. Abdul-Aziz Abdul-Ghani, back to Sanaa on November 30 last year after a highly successful official visit to Britain. British Midland Airways had the airliner impounded, claiming that the Yemeni concern owed it some $4.2m in compensation for alleged breach of contract over the cancellation of a contract to lease two aircraft.

Having refused at a late night hearing in chambers to post a bond, which would have ensured the release of the aircraft, the Yemeni group returned to their country on a scheduled Saudi Arabian airlines flight.

In the ensuing dispute over what was interpreted as a British Government insult to the Prime Minister, the North Yemeni Ambassador was withdrawn; Mrs. Thatcher wrote a letter of apology; and Britain pleaded that it had no power over its courts.

The aircraft was not released until late January—after 47 days—when the Yemen Government put up an irrevocable letter of credit against which the British Government put up a bond. And the row was not declared over until March, when Mr. Douglas Hurd, Minister of State at the Foreign Office, went to Sanaa to apologise in person. Earlier this month the North Yemeni ambassador returned to London.

The British Government had received an assurance from British Midland that it would not impound the Prime Minister's aircraft. BMA says the assurance was conditional on the issue of the Yemeni debt being taken up during the visit. It decided to go ahead with securing the aircraft when it heard, two days before the visit, that the issue was not to be raised — apparently at the Yemenis' request. The British airline saw little point in trying to bring up the issue once the visit had started.

In Sanaa itself British businessmen quickly felt the effects of unofficial but, nevertheless, officially-inspired restrictions: import permits, customs clearance and work permits were processed at a deliberately slow pace; some imports were delayed and salesmen had to scurry out to Sanaa to help their consignments through the bureaucracy.

Few if any government contracts were awarded to British companies while the row lasted, but there is no sign that contracts went to other countries because of it. The restrictions evaporated after North Yemen declared the row over, and, soon afterwards, a UK-based company anounced the award of a contract. But those familiar with the Yemen market believe it will take far longer to rebuild British goodwill in North Yemen than it took to break it down.

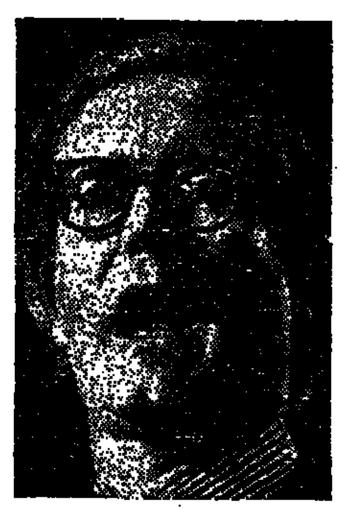
The North Yemeni market, never easy, has if anything become more difficult in the past year. Political instability has not really been a major problem—although two Presidents were assassinated in nine months in 1977-78. Mr Abdul-Ghani has been Prime Minister nearly six years. The real problems are uncertain business practices and the economy's dependence on outside finance.

With the balance of payments recording a deficit of $90m in 1979/80—the first for several years—some slowing down of the economy seems likely. This could affect British exports, which amounted to £49m last year.

But there are still many opportunities in what is a fast-developing country. A surprising number of reports in the 1976-81 Five-Year Plan—which was criticised for being tooo ambitious when it was launched—have been implemented and there are more in the pipeline.

RACAL Communications of the UK has won a £500,000 order for advanced receiving systems to re-equip the Saba Press and News Agency in North Yemen. The equipment includes Racal's RA 1792 HF receivers and extensive antenna, teleprinter, facsimile and recording systems. The RA 1792 provides for the monitoring of up to 100 frequency channels.

Racal said the contract was the third of its type with a Middle East country within a year. Similar monitoring stations have been established at Qatar and Abu Dhabi.



Mr. Hurd: Apologised personally.

Butter sales boost Irish-Soviet trade

By David Satter in Moscow

TRADE between the Soviet Union and Ireland rose more than 150 per cent last year compared with 1978 because of the effect of massive Soviet purchases of subsidised EEC butter drawn from Irish stocks.

Recently released Soviet figures showed that the value of trade last year reached roubles 163.5m (£71.4m) compared with a roubles 41.3m in 1978.

In addition to butter, Ireland exported large quantities of meat, machinery for the pulp and paper industry, medical equipment, chemicals, synthetic fibres, and clothing to the Soviet Union. Ireland's exports to the Soviets nearly quadrupled in 1979 to roubles 54.9m from roubles 14.5m in 1978 and imports from the Soviet Union also increased to roubles 48.6m from roubles 26.8m in 1978.

Ireland went into surplus with the Soviet Union by roubles 6.3m in 1979 compared with a deficit of roubles 12.3m in 1978.

Paris opens Brazil credit line

PARIS—France has opened a credit line of FFr2.5bn (£263m) to Brazil under a financial protocol signed in Brasilia, officials said.

The credits, the biggest ever granted to a foreign country b France, carry an interest of 7.5 per cent.

The money will be used to help finance a number of Brazilian projects. These include the construction of a hydro-electric power station at Porto Primaverra, the electrification of the Santos-Uberaba Railway, the construction of railway line at Belo Horizonte and two phosphate-carrying ships.

AP-DJ

● The Export Credits Guarantee Department has guaranteed a £5m line of credit to Cuba made available by Morgan Grenfell, Hugh O'Shaugnessy writes. It is expected that much of the money will be used for the purchase of British sugar equipment and spares.

Last year there was a jump in Anglo-Cuban trade with Britain selling £36.1m of goods against imports from Cuba of £14.8m. This compares with figures of £26.6m and £8m respectively in 1978.

Argentina hopeful about terms for nuclear project

BUENOS AIRES — Argentina and Canada have reached a tentative agreement on the terms for completion of a nuclear power reactor being built here by Atomic Energy of Canada, Admiral Carlos Castro Madero, President of the National Commission, has announced.

"I have the clearest guarantees of the Canadian Government that the project will be given high priority so it can be finished as soon as possible," Admiral Castro Madero said after returning from Ottawa. The plant had been scheduled for completion early in 1982.

The Canadian company asked earlier this year for a renegotiation of the construction contract to reflect what it called a fair rate of exchange between the dollar and the Argentine pesos it must pay to local suppliers of material for the plant. The Argentine Government has been supporting the peso at an artificially high rate against the Canadian dollar.

Admiral Castro Madero did not disclose terms of the agreement, which now requires final approval by both governments.

● The Puerto Rica Government has formally applied to the U.S. Federal Government for permission to organise a U.S. foreign-trade zone in Puerto Rico.

Sr. Alejandro Coll, executive director of the Government-operated Puerto Rico Commercial Development Company, said the petition had been submitted to the U.S. foreign-trade zones board in Washington.

Sr. Carlos Romero Barcelo, the Governor of this U.S. Commonwealth, said the trade zone is the key to making Puerto Rico a major trade centre in the Caribbean. AP-DJ

Sadat presides over Suez tunnel work

BY MICHAEL CASSELL IN CAIRO

PRESIDENT Anwar Sadat yesterday watched as British and Egyptian engineers completed the breakthrough of a £65m tunnel under the Suez Canal.

The Ahmed Hamdi Tunnel, about 12 miles north of Port Suez, represents the first permanent land link between Africa and Asia since the canal was built over 100 years ago, and it is an important step in Egypt's plan to open up and develop Sinai.

A brief ceremony on the east bank of the canal was also watched by Mr. Cecil Parkinson, the UK Minister for Trade, who is on an official visit to Egypt to help encourage trade between the two countries.

The tunnel, just over a mile long, and due to be carrying traffic by the end of this year, has been built by Osmac, the joint venture partnership between Tarmac International and Osman Ahmed Osman of Cairo. Sir William Halcrow were the designers.

Originally the tunnel was to have been built closer to Port Suez, but ground problems led to a change in location. The project was to have cost £30m when work began in January, 1977, but the joint venture is working under price escalation clauses which has protected it from a doubling in the contract price.

The tunnel has, since the start of work, been closely associated with President Sadat, who is pledged to develop parts of the Sinai and to provide fresh links between the east and west banks of the canal as a replacement for those destroyed by the Israelis.

There are suggesti ons that further canal crossings will be built, though it is not certain whether these will be in the form of tunnels or bridges. Osmac hopes the successful venture will lead to more contracts in Egypt. It has tendered for a £40m power station contract in Aswan as well as a new £30m cement works scheme.

There si also hope that the joint venture could be involved in the proposed multi-million pound main drainage scheme for Cairo.

British companies, as a whole, are pursuing contracts valued at over £2bn in Egypt, ranging from power stations and chemical plant to hospitals and railway organisation projects. The level of UK capital aid—which can be decisive in winning work—is small, however, when compared with some of Britain's competitors.

CO-OPERATIVE INSURANCE SOCIETY LIMITED

A YEAR OF RECORD GROWTH

At the 112th Annual General Meeting of the Co-operative Insurance Society Limited held in Manchester on April 30, 1980, Mr. Hedley Whitehead, Chairman made the following statement:

I am pleased to report that 1979 was a very satisfactory year for most aspects of the Society's business. The results are given in detail later in this report, but the main features were: record rates of growth in premium income and investment income; an exceptionally large increase in new life assurance business; higher bonus additions to the benefits under life assurance policies; and an improved operating profit on the non-life business.

The Society's progress in 1979 was an encouraging conclusion to a difficult decade. The 1970s brought many problems for the insurance industry, as they did for other sectors of the economy. We had to contend with inflation at levels not previously experienced in this country, widely fluctuating investment markets, extensive new legislation, and changes in the pattern of the insurance needs of the public.

Of these challenges, inflation was much the most serious for us. Insurance is a labour-intensive industry, and labour costs, including national insurance and pension costs, account for nearly 80 per cent of the Society's total operating expenses. In periods of high and increasing rates of inflation such as were experienced in the last ten years, it is very difficult to hold the rising operating expanses within a reasonable proportion of the premiums paid by the policyholders, especially with the life assurance business, where we cannot increase premiums on existing policies. At the CIS we redoubled the efforts we have constantly made, in our policyholders' interests, to improve our efficiency.

In the last decade there have been extensive changes in our organisational structure and operating methods — in new business production, administration and servicing of the business — all aimed at making the most effective use of our work force. We are now handling broadly the same volume of business with 20 per cent fewer staff than at the beginning of the decade and I am happy to record that the reduction in staff has been achieved entirely by natural wastage and with the co-operation of the trades unions in the introduction of new working methods and the revision of staffing levels. The beneficial effects of the efforts that all our staff have made and the changes in which they have co-operated are shown in the Society's big expansion of business in 1979, and the modest level of its operating expenses.

But what of the new decade that has just begun? What further changes may we expect in an era when the pace of technological innovation will quicken? How will they affect our business of providing home service insurance?

There have been some suggestions that in the 1980s the business of home service insurance companies will develop more slowly than that of other insurance companies, and will eventually start to decline. Those who make these suggestions have in mind the way in which personal services in many other fields have reduced because of the cost of providing them; for example, the advent of super-stores and "serve yourself" retailing; or the huge growth of "do-it-yourself" in home decorating and maintenance.

At the CIS, we do not accept this gloomy view of the future. This is because of our conviction that home service is the only way in which the insurance needs of the great mass of the public can be adequately catered for; and because home service can be the most efficient and economical way of providing the necessary insurances and servicing them.

Were it not for home service insurance, far fewer of the ordinary families in this country would have adequate insurance protection. We acknowledge that insurance brokers provide a useful service for many people, but we do not believe that they are able to ensure that the great majority of ordinary working men and women have the insurance protection they need. Human nature being what it is, most of us require some friendly persuasion to buy the intangible, even if necessary, benefits of insurance in preference to the tangible goods that we can otherwise enjoy with the money. It is therefore a fact of life that most people who happily and readily take out a policy as the result of a home visit by an insurance agent would not have taken the trouble to call at an insurance broker's office for that purpose.

Nor should it be thought that home service is an expensive way of providing insurance services. The ratio of expenses to premiums on personal life assurance policies is higher amongst home service companies than in most companies not providing home service, but this is because the average size of policy issued by the home service companies is smaller, and not because they provide home service. If expenses are expressed per policy in force, a truer picture emerges; on this basis, the expenses at the CIS on personal life policies are amongst the lowest in the industry.

It is often overlooked by those who believe home service insurance will decline that the business of the home service insurance companies has long ago moved beyond the provision mainly of industrial assurance — the smaller life assurance policies where the premiums are expressed to be payable monthly (at one time, weekly) and are collected at the homes of the policyholders. Industrial life assurance is still very important, but the larger, ordinary life assurances, and household and motor insurances are now a major part of their business. The great majority of personal life assurance policies are issued by the home service insurance companies; although the average size of these policies is naturally smaller than the average size of personal policies issued by the remainder of the life assurance industry, nevertheless the policies issued by the home service offices account for nearly half the new life premium income of the industry on personal policies. In addition, these offices issue significant proportions of the household insurance policies and private motor vehicle policies. In other words they cater for all the insurance needs of the ordinary family and the composition of their business has changed as the average family's real income and living standards have grown over the years.

Just as we at the CIS, and other home service companies, have adapted our business methods and the range of insurances we offer so as to meet the changing circumstances of the average family, so, in my view, will we be able to accommodate the changes that may take place in the 1980s.

The amount of time spent by the full-time agents in collecting permiums will decline as more people have their wages paid into a bank and there is wider use of systems such as direct debiting, or of facilities like credit cards and debit cards. However, I am quite confident that we can cope with these changes. There is already much less time spent by full-time agents on collecting premiums than there was in the past. At one time the premiums on industrial life policies were usually collected weekly, Gradually the interval between collections has moved, first to fortnightly and now to monthly in the great majority of cases.

There have been other substantial changes over the years in the content of the agent's work. Revised administrative systems and the extensive use of computer-based methods have relieved him of much of the important, but very tedious, work he formerly had to undertake in accounting for collections and supplying information about changes in the business on his agency.

In consequence, most CIS agents now spend the greater part of their time on writing new business, and servicing claims and other matters affecting the policies on their agency. We foresee that, in the 1980s, these functions will become an even more prominent part of an agent's work. We believe also that the agents' services will be required to an increasing extent as the living standards of the average family continue to rise and their needs for insurance are enlarged.

It would be foolish to think there will be no problems for us in the 1980s. Undoubtedly there will be. But I am confident that there will also be increasing opportunities for the Society to develop its service to the public and that the Society has the right patterns of business and of organisation to make the most of those opportunities.

After this look ahead to the future I now return to the affairs of 1979 and my detailed comments about the Society's progress.

Investment

The interest yields available on investments in British Government and other fixed-interest securities remained high in 1979. This was an inevitable consequence of the official policies of restricting monetary growth in a period when the demand for finance from both the public and private sectors continued to be very strong. There was a further sharp rise in interest rates in November and, at the end of 1979, the yields on long-dated stocks were 14½-15 per cent, about 1½ percentage points more than at the beginning of the year. Short-term interest rates were even higher, being around 17 per cent at the end of 1979, as compared with 11½ per cent when the year began.

The general level of ordinary share prices rose by nearly 30 per cent during the period just prior to the general election in May in an over-optimistic anticipation of the effects of the return to power of a Conservative Government. However, share prices fell back as the year progressed and the outlook for business activity and companies' profits worsened. By the end of the year, the overall level of share prices was only about 4 per cent more than at the beginning of the year. There were, however, widely divergent trends in the share prices of different classes of companies: for example, oil companies' shares rose by nearly 40 per cent during 1979, whereas engineering companies' shares fell by 20 per cent.

In the property investment market the demand for investment in the better types of property remained strong, and the interest yields obtainable on these kinds of investments tended to fall over the year.

Of the Society's investments during the year for the long-term business fund, approximately 50 per cent were in British Government and other fixed-interest securities, 35 per cent in ordinary shares and 15 per cent in property. In the general business fund, 80 per cent of the investments in 1979 were in British Government and other fixed-interest securities, 15 per cent in ordinary shares and 5 per cent in property.

There was substantial growth of investment income during 1979, the income being £80.9 million in the long-term business fund as compared with £64.5 million in 1978, and £16.3 million in the general business fund as compared with £12.2 million in 1978. The main reasons for these big increases were the high interest returns on investments in British Government and other fixed-interest securities and the large uplifts in the ordinary share dividends paid by many companies following the lapsing during 1979 of statutory restriction of increases in dividends.

The total value of the Society's investments at the end of 1979 on the bases prescribed by Regulations under the Insurance Companies Act 1974 was substantially in excess of the value at which they are stated in the accounts.

The distribution of the investments is markedly different as between the long-term business fund and the general business fund. This reflects the different nature of the liabilities of the two funds.

The long-term business fund represents the long-term savings of the Society's life assurance policyholders, the whole of the profits of this business, which arise largely from investment income, being used for their benefit. Substantial proportions of the fund are invested in ordinary shares and properties, where there is the prospect of long-term growth of income and capital values which will help to preserve the real value of the policyholders' savings in an inflationary period when money is losing its value.

The general business fund represents the amounts held at the end of 1979 to meet claims under motor, property and other non-life insurances then in force. The liabilities of this fund will therefore arise very much sooner than those of the long-term business, and the major proportion of the fund is invested in shorter-dated British Government and other fixed-interest securities.

Life Assurance

The most noteworthy feature of the year was the big increase in new business. The annual premium income on new policies was £39.3 million, over 40 per cent more than in 1978, which was itself a good year for new business. The new sums assured (including the capital value of income benefits) were £1,042 million, the first occasion on which the total of £1,000 million new sums assured in a year has been reached. The increase in new business was particularly marked in the industrial section, where the annual premium income on new policies, at £24.9 million, was 50 per cent greater than in 1978. Although there was a special situation, to which I refer below, which had some influence on industrial life new business in 1979 and affected all offices transacting that business, the outcome was very good. The annual premium income on new ordinary life policies was £14.4 million, 29 per cent greater than in 1978. The percentage increase in new premium income achieved by the Society, in both the industrial and the ordinary sections, was materially better than the average for the corresponding business of the insurance industry as a whole. These results reflect great credit on the agency force and on those concerned with the management of the life assurance business.

The total life assurance premium income also grew substantially, rising by £35 million, from £132 million in 1978 to £167 million in 1979. Part of this increase, however, was of a special character, being a consequence of the introduction in April 1979 of the new system of granting tax relief on life assurance premiums. Under the new system, policyholders deduct the tax relief from the premiums and pay the net amount to the insurance company, which recovers the amounts so deducted in bulk from the Inland Revenue. Because of the excessive amount of work and expense that would have been involved in adjusting the premiums on the many millions of small industrial life policies in force when the new system was introduced, there were special arrangements for existing industrial life policies with a premium of £4 a month or less. The premium was statutorily increased, with an appropriate increase in the benefits under the policy, so that the net amount payable after deducting the tax relief was the same as the premium payable before April 1979. The amount of tax relief recovered by the Society from the Inland Revenue in respect of such policies in 1979 was £11 million, which helped to enlarge the growth in premium income to the record level achieved.

Where the premium under an industrial life policy in force in April 1979 exceeded £4 a month, the policyholder had the option of deducting the tax relief from each premium, or continuing to pay the same amount to the Society and having an increase in the benefits under the policy, as in the case of the smaller industrial life policies. I am delighted to say that almost all the policyholders to whom this option was available showed their confidence in the Society by choosing the second alternative of continuing to pay the same amount to the Society and receiving increased benefits.

Since April 1979 new industrial life policies have been issued on the basis that the premium payable is the net amount after tax relief and the benefits are those corresponding to the gross amount of premium before tax relief. On this basis the same amount of premium will continue to be paid when the rate of tax relief changes, and the necessary adjustment will be made in the benefits provided by the policy. This method of accommodating the new system of tax relief has great administrative advantages, but it also afforded our agency force and prospective policyholders the opportunity of considering larger policies, which are more appropriate in any inflationary era, than they might otherwise have done. This was a significant factor in the big expansion of new business in the industrial section in 1979.

The surplus on our life business has again risen and I am pleased to announce increases in our bonus rates. In the ordinary section, rates of reversionary bonus have been increased from 4.20 per cent to 4.50 per cent for assurances and from 7.75 per cent to 8.50 per cent for pension annuities and retirement benefits. In the industrial section, the rate of reversionary bonus on the main tables has been increased from 2.60 per cent to 2.75 per cent. There have also been improvements in our terminal bonuses, which for ordinary section assurance policies now range from 0.6 per cent of the participating sum assured for policies with four complete years' premiums due and paid to 107 per cent for policies with 50 or more complete years' premiums due and paid. In the industrial section, terminal bonuses on the main tables range from 0.4 per cent to 77.5 per cent.

Motor Insurance

The premium income increased by £11.6 million, from £53.3 million in 1978 to £64.9 million in 1979.

The severe winter conditions in the early part of 1979 brought an increase in the number of claims. The additional claims cost compared with that which might have been expected in a normal winter has been estimated at roughly £1.2 million. There was again a marked escalation in the cost of claims, aggravated in the latter part of the year by the increase from 8 per cent to 15 per cent in the rate of value-added tax. The account shows an underwriting loss of £2.6 million, but after bringing in the investment income on the technical reserves it shows an operating profit of £6.6 million compared with £5.8 million in the previous year.

Our new motor vehicle policy to which I referred last year has been well received. The simplified wording makes the policy much easier to read and understand, and we believe that this will be especially helpful to policyholders when they have to make claims. The wider form of cover provided by this new policy has now been extended to all our existing policyholders.

We are continuing the system we introduced two years ago, whereby policyholders who have been insured with us for a few years and whose premiums have substantially contributed to the surplus in our motor account are enabled to participate in the surplus by means of a discount from the next renewal premium. The special discount will be at the same rate as that declared last year. Thus a discount which under our points rating system is equivalent to a deduction of one point (just under 6 per cent) will be granted on all individual policies for motorists whose policies fall due for renewal between 1st July 1980 and 30th June 1981 and who at the date of renewal have been insured with us for at least three years.

Our motor premium rates have not been increased since July 1979, but with the current increase in the rate of inflation and the additional costs which are directly affecting motor insurance claims, it will clearly be necessary to increase our premium rates substantially from July 1980.

Property Insurance

The premium income increased by £11.5 million, from £41.7 million to £53.2 million.

The unusually severe weather in the early months of 1979 had a much greater effect on the property account than on the motor account, and there was a further setback at the end of the year as a result of the flooding in South Wales and South West England. The result is that the account shows an underwriting loss of £0.9 million compared with a profit of £0.6 million in 1978. After bringing in the investment income on the technical reserves there is an operating profit of £3.2 million compared with £3.7 million in 1978.

Other classes of Non-Life Business

The premium income from the other classes of non-life business increased from £11.7 million to £13.1 million and these classes produced an underwriting loss of £0.1 million. After bringing in the investment income on the technical reserves there is an operating profit of £2.1 million compared with £1.2 million in 1978.

General Reserve

The general reserve, which at the end of 1978 stood at £45.3 million, has been increased by transfers of £2.8 million from the long-term business fund and £5.0 million from the profit and loss account, thus producing a general reserve as at the end of 1979 of £53.1 million. As a consequence of the substantial growth in general business premium income, the general reserve as a percentage of that premium income has fallen from 42½ per cent at the end of 1978 to 40½ per cent at the end of 1979.

Service to Co-operative Societies

The Society is particularly conscious of its important role as insurer to the co-operative movement, and has always devoted much attention to the insurance needs of retail co-operative societies. Because of the changes which in recent years have affected both insurance and retailing, we have in 1979 made a special review of retail societies' insurance requirements. As a result we shall be launching in 1980 a completely new Co-operative Society Policy.

The new policy sets out in one composite presentation the full range of insurances necessary to service the modern requirements of the retail society. An important objective has been to make provision, within the standard policy wording, to include the widest possible cover, and to do so in a way which can be easily adapted to the special needs of individual societies.

The premium rating structure is being simplified for the purpose of the new policy, whilst maintaining the principle of ensuring that the cost of providing insurance is shared equitably between one society and another.

Societies will benefit in a number of ways, including a saving in the time spent on administration and in reviewing their insurances.

Steps have been taken to strengthen and co-ordinate the support given to our Regional Managers who are personally responsible for the servicing of co-operative society insurances. These measures, together with the introduction of the new Co-operative Society Policy, will mean that the CIS will continue to be the natural insurer to all sections of the co-operative movement, offering a range of insurances specially adapted to the needs of co-operative organisations on particularly favourable terms.

The Society has declared a dividend at the rate of 20 per cent to the CWS and its member societies, and at the rate of 10 per cent to other co-operative socieies, on the net cash received from them during 1979 for general premiums covering their own risks.

Board Changes

During the year Mr. S. J. Phillips retired from the Board and Mr. E. Stafford was appointed to fill the vacancy. Mr. Phillips had been a Director of the CIS for 13 years and we thank him warmly for his devoted service to the Society over that long period. His last few years have, unfortunately, been marred by ill-health and we hope that in a well-earned retirement, his health will improve.

We welcome Mr. Stafford as a Director of the Society and are confident that he will make a valuable contribution to the work of the Board.

Conclusion

As I indicated in my opening remarks, I believe that the Society is well prepared to face the challenges of the future. With the high level of professionalism shown by our management team and the hard work and loyalty of employees and full-time agents, we shall surely consolidate our position further, whatever the economic future holds in store for us.

As always, our main objective is clear. We are proud to be a part of the co-operative movement; we cherish its principles and ideals and we shall continue to apply them in transacting our business for the benefit of all our policyholders.

The report and accounts were adopted.

Plan to boost industry by public purchasing

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A LONG-TERM PLAN to use public purchasing to improve the competitiveness of British goods at home and abroad has been approved by the Cabinet, and is being put into action by Sir Keith Joseph, Industry Secretary.

Broad areas such as office technology, medical electronics, energy conservation, and telecommunications are likely to be among the first selected are the plan.

Companies will be invited to discuss with Government Departments and nationalised industries how they can jointly develop new products which wil be neded in two or three years time, and which could win export orders as well as being used in the UK.

Sir Keith has pushed the plan through inter-Departmental committees and the Cabinet despite some opposition from the Treasury and other Ministries in Whitehall. He is writing to the chairman of national industries for which he is responsible, such as the Post Office and British Aerospace, asking them to consider what they can do. He has also asked Ministers heading other Government Departments to do the same.

The intention is that instead of specifying precisely what equipment is needed, Government agencies would state only their objectives and would then work with the suppliers on design.

In addition to the broad areas, some more specific projects are being canvassed. They include a magnetically propelled travolator to link Birmingham air port and the National Exhibition Centre, a "teletext" system for the deaf, and the use of robotics in the motor and other industries.

Sir Keith will be stressing that he does not intend to launch a "Buy British" campaign. But part of the objective will be to give British manufacturers a larger share of the public purchasing market, which is estimated at nearly £20bn a year.

The Government hopes to develop long term relationships with the companies involved. But it is being careful to keep within EEC and GATT rules about open competition, which means work may have to proceed with more than one company.

CBI supports Finniston plan

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A MODIFIED Engineering Authority, independent of Government, is supported by the Confederation of British Industry in its verdict on the Finniston report.

The recommendation is in line with that of the Engineering Employers' Federation and the major professional engineering institutions.

The CBI wants at least four out of 15 authority members appointed in consultation with bodies representing employers in manufacturing industry, and at least three members could be non-engineers. The institutions, on the other hand, say they should nominate a majority of the authoriyt's membership.

Finniston and the CBI both believe an authority should be responsible to Parliament—but Finniston believes it should be through a departmental minister while the CBI favours the Privy Council.

The CBI also says it would bebe "unduly expensive and bureacratic for the authority, as suggested in the Finniston report, to take over many of the functions of the major engineering institutions, leaving them largely as learned societies."

The CBI believes the authority is necessary to both promote the "engineering dimension" and oversee the engineering profession. It should establish "general should establish "general—standards of experience, education and training necessary for the registration of individuals and then accredit suitable institutions to apply them on its behalf." A major aim should be to nationalise present institutions, and the Council of Engineering Institutions would cease to exist.

The CBI is anxious that the setting up of the authority should not be unduly delayed. It therefore recommends forming a "shadow" authority to work in consultation with the industry, professional bodies, employers and others on defining the precise function of the eventual chartered body.

Fife carpet-maker James Meikle goes into liquidation

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency yesterday suffered the faliure of its sixth equity investment when James Meikle and Co., the carpet-manufacturer, went into liquidation.

The company's directors called in the receiver after seeing their market share eroded steadily by imports in the past year and a period of intense price competition from larger UK producers in recent months.

Mr. George Moss, managing director, hoped some of the 300 jobs in the company's two factories, in the Kirkcaldy area of Fife, could be saved. He expected a statement from the receiver in a few days.

The closure was described as "a disastrous blow" by chairman of the local council, Mr. Robert King. He said Kirkcaldy district had lost 2,000 jobs in the past year.

The agency took a 28 per cent stake in Meikle, an old-established family company, in 1977, putting up £200,000 in equity and £315,000 in a loan secured on the company's premises.

The money was used to restructure the company, which also brought in new management, and to improve its design range. But, in spite of some increase in sales, Meikle found it difficult to make headway. It reported a £188,00 loss last year.

Under new, stricter guidelines introduced for the agency last October, the Government limited aid available to Meikle. But the directors felt more cash might not have been sufficient to keep the cmpany afloat.

The Scottish Office watches carefully the performance of agency subsidiaries. It restricted finance to at least one other company. Stonefield Vehicles, the subject of take-over negotiations.

The SDA said that, in common with other small carpet-manufacturers, Meikle had found it impossible to compete with U.S. imports. These were selling at less than UK production costs in spite f a 23 per cent tariff barrier.

This was because of the relative strength of sterling against the dollar and the much lower price of oil-derived yarns and backing maerials in the U.S.

● Trafford Carpets, a Manchester manufacturer, has given undertakings to the Director-General of Fair Trading that its goods may be sold at prices retailers decide and that it will not discriminate against any retailer selling at a lower price.

The undertakings are among few clear-cut cases where the OFT has acted under the Resale Prices Act, 1976, against companies attempting to operate resale price maintenance. The OFT is expected to use the new Competition Act to investigate other RPM allegations.

New Co-op chief named

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE NEW chief executive of the Co-operative Wholesale Society, the biggest wholesaling organisation in Europe, will be Mr. Dennis Landau.

Mr. Landau, the present deputy chief executive, will succeed Sir Arthur Sugden when he retires on his 62nd birthday in September.

Mr. Landau joined the society from Cadbury-Schweppes in 1971 as food controller, He was appointed deputy chief executive in 1974.

The CWS, which had sales of almost £1.7bn last year, is the manufacturing and wholesaling operation of the UK co-op movement. It is owned by the 201 retail societies and supplies about two-thirds of their needs.

DARJEELING DEFRAUDED OF £181,000

'Share-shuffling' probe backs stiffer penalties

BY ANDREW FISHER

A CONFUSING tangle of allegedly fraudulent share deals, asset-stripping, criminal deception, and disregard of shareholders' interests is unravelled by the Department of Trade in its long-awaited report on Darjeeling Holdings.

The former tea company was defrauded of £181,000 after control passed to its new owners in the early 1970s, with a further £57,000 "dissipated in a wide variety of abortive projects," says the report.

As a result outside shareholders lost £112,000, say Mr. Peter Millett and Mr. Ian Bowie, the two department inspectors. Most of this benefited companies controlled by Mr. Frank Farrow, a financier, and Mr. Ram Kapur, an Indian businessman.

The inspectors recommend changes in company law at the end of their report, which was completed in 1978.

They called it an interim report because their inquiries remain incomplete—Mr. Farrow, now living in Andorra, has evaded their attempts to speak to him.

One of the suggested legal changes would extend penalties against company officials who make misleading statements to officers of subsidiaries or holding companies, including those based overseas.

The other would make it easier ta discover the identity of shareholders who hide behind nominee names, especially if these are outside the country.

As well as their bulky report on Darjeeling, now in liquidation, the inspectors also chronicle the business dealings of Mr. Farrow and Mr. Kapur.

Mr. Farow, they say, "offered us no reasonable opportunity to interview him." They said they understood that he was an Armenian, born and educated in India. Mr. Farrow and Mr. Kapur both left the UK in 1976.

The inspectors say the two men had no regard for the interests of their companies and of their outside shareholders. Instead, they subordinated those interests to their own.

As well as Darjeeling, the other companies which came within their orbit were Data Investments, Central Provinces Manganese Oore (CPMO), Vivella, Tamlin, Woodend, and Adamstown.

The report describes Mr. Farow as "a clever and astute financier, particularly adept at share-shuffling," and Mr. Kapur as "a shrewd man of business." who saw in Mr. Farrow a brilliant associate.

One of their interests was Veeraswamy's, the well-known Indian restaurant in London's Regent Street. Data acquired this for £350,000, which the inspectors saw as an inflated price, from a company owned by Mr. Kapur and Vivella.

But outside shareholders in the Farrow-Kapur companies suffered greater losses on the transfer of large stakes in CPMO and Darjeeling to Data and on certain securities deals.

Mr. Farrow, Mr. Kapur and their associates—these included the late Sir Oliver Goonetilleke, a former governor-general of Sri Lanka—faced loses of around £535,000 CPMO and Darjeeling stakes in 1973, but ultimately bore little if any part of these.

Some £722,000 in cash was also extracted by them from the public companies, say the inspectors, "in exchange for their own less than readily marketable securities."

Conspiracy

In their Darjeeling report the inspectors say the machinery employed to carry out the fraud on that company "bears his (Mr. Farrow's) hallmark and was probably devised by him."

"There are strong prima facie grounds for regarding Mr. Farrow as a knowing participant in the criminal misapplication of hte company's funds." and in breaches of the Companies Act, they say.

Three other men, Mr. Frank Brockley, who was involved in negotiations involving Darjeeling, Mr. Robert Fleming, who was chairman of the company, and Mr. Donald Williams, an associate of Mr. Judah Binstock, the financier now in self-imposed exile, are also criticised by the inspectors.

The inspectors say there was prima facie evidence that they were the principle parties to the conspiracy. But there was no evidence that Mr. Binstock was responsible for the scheme.

It was in 1972 that Mr. Farrow, Mr. Kapur and others bought an effective controlling stake of over 35 per cent in Darjeeling.

They then sold it to Data Investments, also under their control and made it into a cash shell.

The main purchases then were of Gwrych Castle in North Wales and Carr Mill Dam, a development site near St. Helens in Lancashire. Each was bought from Pathfinder, a nominee company in the Isle of Man.

By this time, there had been "an apparent sale of the effective controlling shareholding to another nominee company" on the island, Fireball.

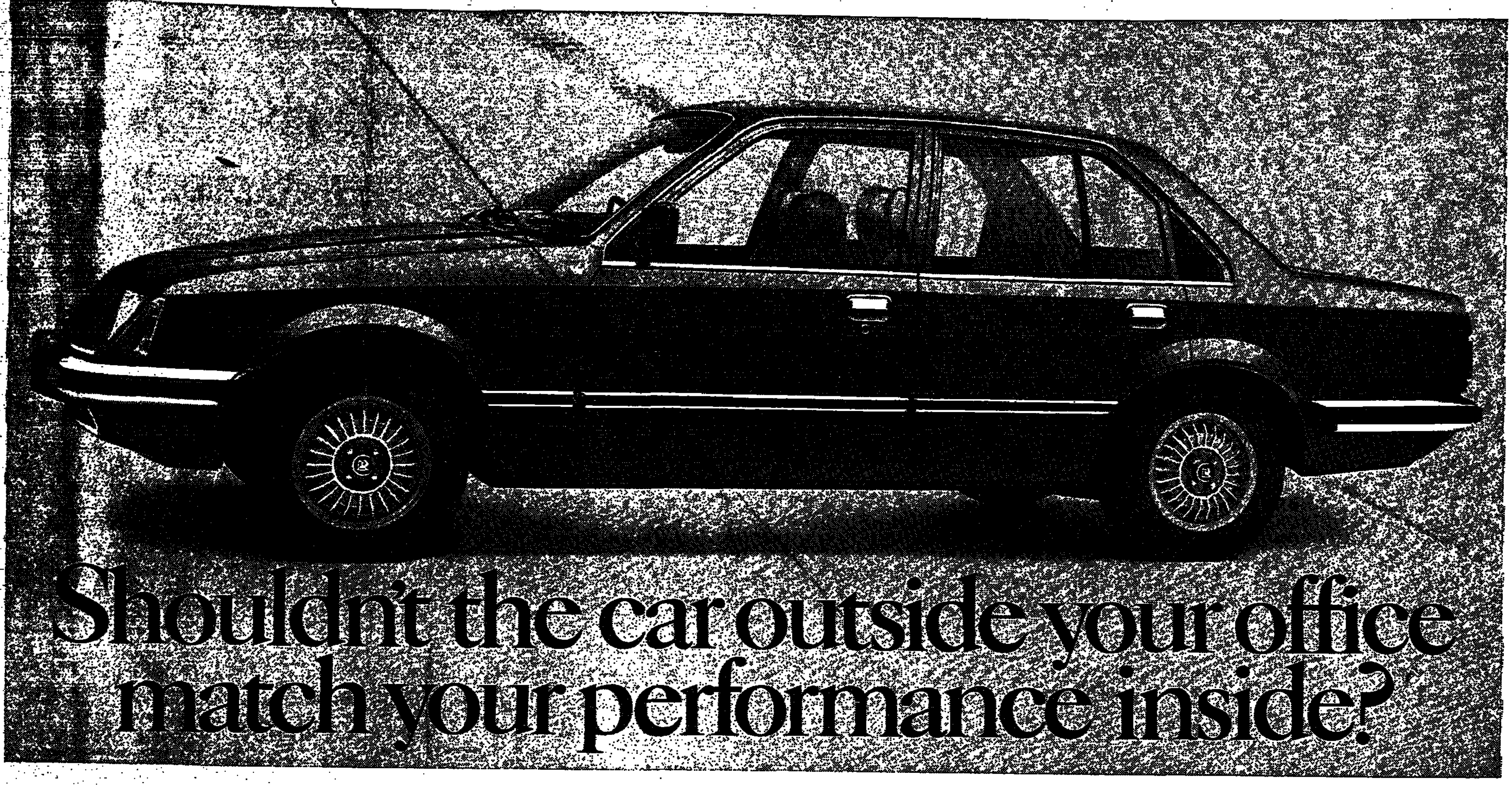
The inspectors say the Gwrych Castle and Carr Mill purchases seemed neither straightforward nor honest. "We are satisfied that they formed part of fraudulent and dishonest scheme designed to extract money from the company (Darjeeling)."

This was apparently to finance Fireball's purchase of the effective controlling stake in Darjeeling from a company in the effective control of Mr. Farrow, Mr. Kapur and associates.

This money was in turn used to defray most of the cost of buying Darjeeling. "Because of the clear evidence of fraud," the inspectors submitted a report to the Secretary of State for Trade.

They also stated that Mr. Albert Hill, an accountant who sat with his son as sole directors of Fireball, was a party to a deliberate conspiracy to deceive Darjeeling's auditors and Department of Trade inspectors themselves.

Neither the Department of Public Prosecutions nor the City of London Fraud Squad are looking into the Darjeeling affair. The reasons, it is believed, are lack of evidence and the absence of several of the main participants.



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And thanks to its classic aerodynamic shape, it will go on accelerating to a top speed of 107 mph.*

Nor is the car any cause for concern at the Department of Energy.

At a steady 56 mph (is there anyone who actually drives at a steady 56 mph?) the Carlton returns 38.7 mpg. More realistic, perhaps, are the returns on a steady 75 mph: 30.7 mpg, and on the Urban Cycle: 24.4 mpg.

IT GETS ON WITH THE JOB WITHOUT MAKING A SONG AND DANCE OF IT.

While the speedometer provides visible proof of the car's performance, there are thankfully none of the more intrusive reminders.

Wind noise, for example, is uncannily low, even at speeds well over the legal maximum (that slippery shape again).

Road noise, too, is suppressed at source by generous heavy duty rubber bushings in the suspension.

While the passenger compartment is still further insulated from noise of any kind by the wall-to-wall cut pile carpeting (it even has separate underlay).

Handling and braking, thanks to all-round coil springs and dual circuit brakes with front discs, are equally impeccable.

IT'S WELL APPOINTED, BUT WITHOUT BEING FLASHY.

Carlton is so well equipped that the only options you can ask for are power steering, alloy wheels and a sunshine roof.

Everything else you might regard as being important is already present.

The seats are covered entirely in rich velour cloth, but have just the right degree of firmness (important for long distances).

You can even adjust the driver's seat for height, as well as for reach and rake.

Adjustable head restraints are standard at the front while a central armrest is standard at the rear.

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UK NEWS

Bank to run hotel credit scheme

By Ray Perman, Scottish Correspondent

THE Bank of Scotland is extending its activities in the credit card business by operating a card service for Thistle Hotels, part of the Scottish and Newcastle brewery group.

The bank has been looking for ways of making more use of its finance house subsidiary, North West Securities, and its large computer services division. Last year it agreed with Marks and Spencer to run its credit card system in Scotland and the North of England and with C and A Modes to operate its customer credit for the entire UK.

Mr. John Wilson, the bank's joint general manager, said yesterday the decision to expand its credit operations could attract criticism in view of the continuing restraint on lending urged by the Bank of England.

But the Bank of Scotland was convinced that, if it had refused the opportunity offered by Thistle, someone else would have taken it up.

"We were not prepared to see a major development by one of our best customers handled by one of our competitors."

The card can be used in any of Thistle's 31 hotels. Bills can be paid interest-free within 25 days from the receipt of the statement, or by monthly payments of 5 per cent or £10—whichever is the greater—at a rate of 2.25 per cent a month—the same rate charged for other credit cards, such as Barclaycard and Access.

An unusual feature of the system is that customers can use the card to draw up to £50 in cash. Thistle intends to promote it by offering users a range of discounts

● A £1m research and development laboratory to improve new product design was opened yesterday by Weir Pumps, the UK's largest pump manufacturer, at its plant in Alloa, Clackmannanshire.

The laboratory, part of a £12m investment by the company over the past three years, contains equipment to simulate conditions under which pumps are expected to operate.

LASMO may join bidding for latest North Sea licences

BY RAY DAFTER, ENERGY EDITOR

LONDON and Scottish Marine Oil Company, an independent UK oil explorer with a share in the North Sea Ninian Field, said yesterday that it may join two or three new consortia which will bid for offshore licences in the next few months.

The company said it would like to be the operator—leader of a licence group—for one of the bidding consortia. The Government is expected to announce details of its seventh round of offshore licences today.

Mr. David Howell, Energy Secretary, has already said he wants to encourage independent British oil companies, such as LASMO.

Success for LASMO in its licence applications, particularly where it plans to be the operator, will help consolidate its North Sea interests.

Mr. Geoffrey Searle, chairman, says in the company's annual report published yesterday LASMO intends to "pursue an energetic exploration and development programme, particularly in the North Sea."

The recent merger with another independent, Oil Exploration (Holdings) has created a group of "new dimensions with many exploration interests and with oil and gas production in the North Sea and the U.S."

LASMO, which made a pre tax profit of £23.4m last year—£20.9m was attributable to Ninian production—says it has increased its technical staff to meet the "challenge of this increasing activity."

Details of conditions for the seevnth round licence are likely to favour smaller companies.

It is understood that Mr. Howell has opposed suggestions that some o fthe blocks should be auctioned. He felt that an auction, implying a hefty down payment, would favour multi national companies, with plenty of cash.

tI is also possible that the licence conditions will enable smaller companies to be operators during the exploration phase, but will give them the option to hand over the operation of the fields to larger companies for the more difficult phase of oil field development.

In recent months many new exploration consortia have been formed in preparation for the seventh round, which is likely to include between 90 and 100 blocks.

A feature of these consortia is a high degree of UK representation. It is known that a number of foreign companies have formed new consortia containing UK interests in the hope of improving their chances of being awarded new licences.

Brewers' profits may grow by 12% this year

BY GARETH GRIFFITHS

BREWERY PROFITS are likely to rise 12 per cent this year and beer consumption 2-2.5 per cent, according to a report by Mr. Colin Mitchell of stockbrokers Buckmaster and Moore.

It suggests that beer drinkers have adjusted to price rises in the past six months.

Business in public houses and clubs was good during the Easter holidays. The level of trade during Easter is regarded as an indication of summer business.

Further price rises are unlikely until late autumn. Beer production has increased an average 2.9 per cent a month since October, 1979, the start of the current brewing year. Labour relations in breweries and distribution networks were reasonably settled.

The report notes continuing low margins in the take-home trade, and poor demand for wines, spirits, hotel and catering supplies.

In spite of the weak position of these activities and reliance on tied public house beer sales, Mr. Mitchell believes the industry's profits this year will be comparatively good.

The majority of increased profits will be made in the next six months. Most brewery companies are likely to raise dividends.

Sealink boosts net profit to £6m

BY LYNTON McLAIN

SEALINK UK, the British Rail ferry company in which the Government hopes to permit private investment, made £6m net profit last year, 25 per cent more than in 1978.

Trading profit fas £13.7m on turnover of £194m—£9.7m from shipping and £4m from harbour interests. Trading profit in 1978 was £12.2m.

The price war in the passenger anr car sectors started in January—too late to affect Sealink's 1979 results, published in the annual report yesterday.

But price cutting had a dramatic effect on the volume of traffic. The largest rise was in February, when passenger and car volume for all operators rose 50 per cent on the French routes. Growth fell in March and April, but was still 15 per cent higher than in the same months last year.

The roll-on roll-off freight lorry sector has not been subject so far to price cutting. But Sealink said: "Hauliers are already asking for parity of treatment with the private motorists."

Rising capacity—up by a third—in roll-on roll-off ferries and falling demand from hauliers because of the trade recession are expected to force Sealink and its major competitors — European Ferries, P and O and Lauritzen, a Danish company—to introduce lower freight rates to attract business.

Sealink will have two new ships in the short sea Channel routes by the end of the year. European Ferries already has one new ferry and another will start later this season. P and O is adding a ship to its fleet.

Last year was the first in which Sealink had to perate as a limited company to a financial target agreed between British Rail and the Government. This calls for Sealink to "progressively improve" its financial performance, to make a real return of 5 per cent on the value of its net fixed assets by 1982 after adjustment for inflation and before interest and tax.

Mr. Michael Bosworth, chairman, said the company achieved a real return of 1½ per cent last year—"in line with our forward plans." The 5 per cent target would be a challenge.

The Government is expected to make a formal statement on the future of Sealink and British Rail hotels and property subsidiaries later this month.

A Transport Department, British Railways Board and Sealink working party has nearly completed final recommendations to Mr. Norman Fowler, Transport Minister, on the options for involving private capital in these subsidiaries.

The Government is considering forming a holding company for these subsidiaries, in which it would hold a minority of the share capital.

Changes in statutes controlling the companies' activities will be needed through legislation, giving them much greater commercial freedom to raise capital and develop as private enterprises.

BL to decide soon on doubling Maxi output

BY JOHN GRIFFITHS

BL IS TO decide in two or three weeks whether to proceed with plans to increase output of the Austin Maxi from 200 to 450 a week and of the Princess from 400 to 450 a week.

Sales of both cars have benefited from BL's "Buy British" campaign, which ran from January to March. A further 10 per cent price reduction on the Maxi, which will continue through the summer, has lifted its sales to more than double the level before the cut. In March, 8,749 were sold, giving the car 4.4 per cent of the market and fifth place in the "top ten" list of best sellers.

Trend

BL executives want to confirm that the trend is being susutained before deciding to raise output at the Cowley plant where the cars are built.

A similar discount scheme began on BL's main fleet car, the Marina, at the start of April. The Marina's sales are also understood to have risen sharply from the 10,346 cars sold in March. The car was then fourth in the top ten.

The Marina reduction scheme will stop at the end of next month. It is mainly intended to clear stocks before the launch of replacement models in July.

In spite of these selective incentives, BL's share of the UK market is slipping from the 23.74 per cent recorded in March. In the first three weeks of April it dropped to less than 18.5 per cent.

BL attributes the drop mainly to the end of the "Buy British" campaign. There were subsequent disruptions caused by stoppages resulting from Sir Michael Edwardes' decision to impose the pay and conditions package in early April.

If Cowley's output is increased, it would only restore it to the pre-December level, when mounting stocks led the company to cut back and warn that voluntary redundancies would be needed.

Lay-offs were made at Cowley and other plants in March because stocks in February were still high. Since then BL has been running short of Cowley-built models.

While a few redundancies have already occurred, unions have been told that a further loss of jobs might not be necessary. But Cowley has considerable flexibility on output levels, and a decision to increase production could be reversed if demand again subsided.

The UK market is showing signs of the long-predicted shrinkage. After a record first quarter, sales this month are expected to be 112,000-115,000, compared with 125,000 in the same period last year.

New checks 'needed' on car repairs

By Eric Short

INSURANCE companies should examine more closely the costs of repairing cars after accidents, Mr. David Thomas, general manager of the AA Insurance Service said yesterday.

At the launching of three new motor insurance contracts, Mr. Thomas said motor repairs in the UK cost more than £500m a year. Yet there seemed to be no fixed rates for any job. In many cases, where the claim cost was below a certain figure, there was no inspection of the damage by an insurance company inspector.

Mr. Thomas said he would like to see some checks on repairs made before the work started, some while it was in progress and others after completion, with no set pattern or value-imposed limits.

If insurance companies were to slow down the rate of increase of motor premiums they had to initiate action now. This was one area in which costs could be contained.

The AA Insurance Services, through which 420,000 motorists are effecting their insurance, had expanded its motor insurance range by offering a new scheme for the younger driver driver with some experience, a top-up policy to complement the policy, and a no blame discount instead of the usual no claim discount.

Ulster devolution plans for Cabinet committee

BY STEWART DALBY

PLANS FOR political devolution in Northern Ireland are expected to be put before the Special Cabinet Committee shortly. They follow protracted talks at Stormont, among the Government and the three main constituency political parties in Ulster, which ended at Easter.

It seems Mr. Humphrey Atkins, Secretary of State for Northern Ireland, who chaired the 3½-month talks, has amended his earlier opinion about the impossibility of imposing a fully devolved local assembly because of diametrically opposed views among certain politicians about power-sharing.

Mr. Atkins and Northern Ireland Office officials are turning to the view that the Government might try to impose a Cabinet-style local government for Northern Ireland, backed by a legislature elected either by proportional representation or straight majority rule.

This body would have power over the same areas as the old devolved Stormont Government abrogated in 1972. It would control education, housing, and most other departments of local government but not finance, defence, or foreign affairs.

The way such a legislature would differ from the old Stormont assembly, which was dominated by representatives of the 1m largely Protestant Unionists, is that new, special safeguards for the minority of 500,000 Roman Catholics would be built in.

These could include weighted or substantive majorities in voting in the assembly, and a Bill of Rights. But it has been suggested the Secretary of State would retain most of his powers over areas like security and job discrimination, and that all parties would have right of appeal to him.

It had seemed unlikely that Mr. Atkins would opt for this kind of formula in the face of Mr. John Hulme, leader of the Social Democratic and Labour Party, the main Catholic representative at the talks. Power-sharing at Cabinet level, if this were to be the form of government, was his minimum demand.

A devoted assembly with an Executive would be a victory for Mr. Ian Paisley, the main Unionist representative at the talks. He insisted there could be no power-sharing at Executive level, and that safeguards must be built in lower down.

Much will depend on whether Mr. Hume can accept anything short of power-sharing. Between now and the time he has to make a decision, much could change. After the Special Cabinet Committee the full Cabinet has to approve proposals.

If it does, it seems likely a Green or White Paper will be published in the summer. This would be followed by discussions with political parties. Definite proposals could be contained in the Queen's Speech in November.

Laker bids for more flights to the U.S.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LAKER AIRWAYS, which has just been awarded the Gatwick-Miami air route, is applying to the Civil Aviation Authority for further U.S. flights, to Tampa and Orlando in Florida, and to Detroit and Baltimore.

Laker also wants to widen existing Skytrain services to New York and Los Angeles. It hopes to carry passengers between those cities and Manchester, Glasgow and Prestwick. At present Laker is limited to Gatwick in the UK.

The applications are among a large number of bids by several UK airlines for additional U.S. destinations in the wake of the recent Anglo-U.S. air agreement which widens the scoep for air services between the two countries.

British Airways, which already has extensive U.S. services to New York, Boston, Chicago, Miami, Seattle, San Francisco and other major points, has asked for direct flights to Cleveland, Kansas City, Minneapolis/St. Paul, Pittsburgh and Tampa.

British Calendonian Airways, which yesterday started its new service to St. Louis, has asked for rights to San Juan in Puerto Rico and to Minneapolis/St. Paul.

British Midland Airways, a major independent airline, has asked for a service to New York from Birmingham and Belfast.

The Civil Aviation Authority has called a public hearing into all these applications, in London on May 14 to 16 and May 19, 21 and 22, with plans to extend if necessary.

The hearing will be one of the most important held by the authority since the big European route hearings late last year and the Hong Kong route case earlier this year.

In every application, there are objections and representations from other airlines—with everybody virtually objecting to everyone else's bids. The hearings are likely to be lengthy, complex and abrasive.

Much of the UK airline's interest in the U.S. market at this time stems from expanding business and tourist links between the two countries, especially in the light of the weakness of the dollar against sterling, which makes the U.S. a popular tourist destination.

Nimrod ready for trials

THE FIRST of a fleet of 11 Nimrod airborne early warning aircraft was rolled out of the British Aerospace factory at Woodford, Cheshire, yesterday, writes Michael Donne.

Developed from the anti-submarine version of the Nimrod—itself a derivative of the Comet jet airliner—at a cost of several hundred million pounds, the 11-strong Nimrod AEW fleet will be able to detect enemy aircraft approaching the UK's "back door" over the North Atlantic.

The early-warning Nimrods have been rebuilt, with a bulbous nose containing sensitive radar equipment. They are also fitted with extensive aircraft detection, tracking and anti-jamming devices. Their task will be to direct defending fighters, such as Tornado jets, to the incoming enemy aircraft.

The first aircraft will undergo extensive flight trials before being handed over to the RAF for service in 1982. The new Nimrod aircraft will work closely with the Boeing E3A Sentry airborne early warning aircraft that are being bought by other NATO countries for European defence.

Offer for Singer factory

By Ray Perman, Scottish Correspondent

THE Scottish Development Agency has made a firm offer for the 80-acre Singer factory in Clydebank, which will become vacant when the company stops UK production of sewing machines in June.

Mr. Lewis Robertson, the agency's chief executive, confirmed the offer yesterday when he announced a £4m plan—the first phase in an environmental and industrial improvement programme for the town. Extra agency money would be made available to back the offer for the Singer plant.

Mr. Robertson said substantial demolition and renovation work would be needed to realise the potential of the Singer site, and the price offered to the company reflected this.

The agency is also in the final stage of negotiation with a carton manufacturing company which is interested in taking over a vacant 52,000 sq ft factory.

"Revitalising Clydebank's industry will entail a long-term strategy, but there is an immediate need to redress the balance of industrial property available to small businesses," said Mr. Robertson.

"The right sizes of factories and workshops have not been available to encourage new ventures and allow smaller local firms to expand."

Investment plan lightens gloom in Ulster synthetic fibres industry

LISA WOOD looks at the Northern Ireland man-made fibres industry, where more than 1,350 jobs have been lost in the past year.

IN THE last year 1,367 jobs have been lost in Northern Irelands' man-made fibres industry. But the gloom in the industry has been lightened recently by the announcement that Akzo, the Dutch company, plans to inject between £30m and £40m into its British Enkalon plant in County Anrtim.

Neither Akzo nor British Enkalon have given details of the plans. They say their strategy is not yet fully worked out.

The Antrim plant, which has made a loss for the last four years, makes nylon textile yarns, polyester yarns, carpet yarns and nylon industrial yarns.

Much of the blame for the decline of the synthetic fibres industry — with heavy redundancies announced by Ulster manufacturers including ICI and Courtaulds — has been put on U.S. omports of polyester textile yarn and carpet yarn.

But union officials, who have spent months discussing redundancy terms with the companies, say the major producers have not invested enough in modern machinery in recent years, with the result that the Northern Ireland plants have become candidates for closure.

The current attempt by British Enkalon to modernise its plant, which employs about 2,000, defended its ability to persuade Akzo, the chemical and fibres group, that a steady programme of investment in the complex will pay dividends.

Mr. Rolf Schierbeek, deputy chairman and chief executive of the British company, told workers at Antrim in January that Akzo would need to spend up to £40m to ensure the plant's future. Modernisation was vital but the investment could only go ahead if the Northern Ireland operation was seen to be viable and capable of delivering the goods.

Successive annual wage agreements at Antrim have concentrated achieving better productivity. This will again figure prominently in forthcoming negotiations towards a renewal of the agreement in June. The labour force has been trimmed through natural wastage.

Akzo, with a 71 per cent share in British Enkalon, appears to have been persuaded that an investment in the plant, which opened in 1963, could be worthwhile if the plant could be integrated into the Dutch company's long-term restructuring of its synthetic fibres activities. "Akzo is massive injection of funds. We are just establishing the framework."

Last year deliveries in the UK at 690,030 tonnes were 3 per cent less than the figure for 1978, while production at willing to help revitalise British Enkalon," said Mr. Schierbeek this week. "But there will be no immediate 596,310 tonnes was down 2 per cent. The last major boom was in 1973 with 728,000 tonnes being produced.

Last year the industry was under severe pressure because of a decline in domestic textile production and increased fibre imports. The new quotas on imports, recently announced by Mr. John Nott, Secretary of State for Trade, were 9,100 tonnes for polyester filament yarn—compared with imports in the final quarter of 1979 running at an annual rate of 15,600 tonnes—and 7,500 tonnes for nylon carpet yarn — compared with a 1979 final quarter rate of 9,150 tonnes.

The measures were attacked by the industry and its unions as "totally inadequate" with quotas still too high and placing jobs at risk.

In Europe the synthetic fibres industry made a combined loss of about £250m last year, according to estimates released by Enka, the largest European fibres manufacturer, which is also owned by Akzo. The group warned that the industry was in for a "rougher time than in 1979."

Since 1975 Enka has reduced its workforce in West Germany and Holland by 12,000 or nearly 30 per cent as part of its attempts to cut capacity and regain profitabiilty.

It may seem surprising that Akzo decided to invest heavily in the Northern Ireland plant, whose productivity is lower than that of its European counterparts.

But Akzo said this week: "We regard Antrim as one of our core sites within the context of our European fibre strategy.

"At Antrim we have comparatively low production costs. In order to accomplish the highest possible efficiency much of the equipment at Antrim has to be modernised," he said.

"Antrim is a core site also because of its close connection with the very important British market and we do not want to supply the UK market from continental production facilities only."

Paper industry expects stagnation in demand

BY JAMES McDONALD

THE BRITISH Paper and Board Industry expects demand for its products to stagnate or decline this year while costs and margins comes under increasing pressure.

The annual report for 1979 of the British Paper and Board Industry Federation says imports continued to grow in 1979. They now account for half of consumption and are within two per cent of the import record of 1974. UK production was still 8 per cent less than it was in 1974.

An analysis of imports showed that, apart from a sudden spurt in shipments from the U.S., some of the most spectacular growth was in imports from the rest of the EEC, rather tha nfrom Nordic countries.

The report says, however, that in some grades, such as soft tissue and some printing papers, UK mills were working at full capacity nearly all last year. "If more was needed, supplies just had to come from abroad." Also, UK exports had grown to record levels both in tonnage and value.

The industry's greatest difficulty of 1979, however, was the high value of the pound, which has been maintained because of North Sea oil production.

Packaging board did not share in the general increase in production. It ended last year 2 per cent down on 1978. In this sector unlined grades performed better than folding boxboards—a sector in which overseas competition, particularly from EEC countries, increased its market share.

Production of corrugated case materials started to improve only in the second half of the year, but finished 1979 with a record production figure which was a gain of about 2 per cent. Convertors also achieved a record for production of cardboard cases.

UK production of packaging papers in 1979 was almost the same as in 1978. The 6 per cent rise in consumption was supplied mainly by imports. In the rest of the EEC output rose steadily but there also increased consumption was met largely by more imports, notably from Scandinavia.

Output of printing and writing papers last year was slightly higher but the share of imports of "apparent consumption" reached a "worrying" 50 per cent.

English wine production likely to increase

BY GARETH GRIFFITHS

PRODUCTION OF English wine is expected to increase considerably this year after poor output in the past three years.

There are 230 English vineyards in production, increasing by 10 to 15 a year. In spite of severe economic pressures, about 80 of the vineyards are considered commercially viable.

Renewed optimism among growers has resulted in an emphasis on quality wines. The English Vineyards Association (EVA) expects about 50 vineyards to enter wines for its control-tests this year. Last year only 16 vineyards entered. The association is trying to give its trademark a status equivalent to the French appelation controlée label.

English wine production was worth about £600,000 in 1976, when vineyards produced about 400,000 bottles. The value has slumped because of lower production. Growers hope to make up the lost ground this year.

English wine sells at £2.75-£3.50 a bottle. It has generally not been taken up by larger retail outlets. The more expensive hotels and restaurants and the better department stores provide most outlets. Vineyards also sell a great deal directly to visitors.

Increased production is helped by lack of EEC restrictions on wine production in England. English vineyards have a special exemption from the Community's wine rules. Favourable weather last July, when this year's vines were planted, has encouraged producers.

PM hints of more union curbs

BY RICHARD EVANS, LOBBY EDITOR

MRS. MAGARET THATCHER gave a further clear hint yesterday that the oGvernment intends to introduce more legislation curbing trade union power later in the Parliament.

She declared in an interview on BBC radio, that "we are going slowly and steadily, to remedy those thngs that have tobe remedied."

the large group of Tory back-
Her comments will please benchers who have been pressing for much tougher action than the proposals contained in the Employment Bill now before Parliament.

They will also serve as a warning to Mr. James Prior, Employment Secretary, that he will have to fight hard to maintain his gradualist approach when the Government's Green Paper on trade union immunities is published later in the year.

The present position of the Cabinet, following the firece argument over trade union legislation in the autumn, is that Mr. Prior will be given time to make his policy work. But the indications are that Mrs. Thatcher is not prepared for the period to be a long one.

The Prime Minister, interviewed on the Jimmy Young programme, stressed that the Employment Bill, shortly to go to the Lords having completed its Commons stages last night, contained proposals on trade union ballots, a closed shop and secondary picketing that would "help enormously."

"But that is by no means the end. There is still a lot to consider . . . do not think that it is necessarily the end," she said.

Mrs. Thatcher gave as her prime reason for taking action against excessive trade union power, the widespread support the Conservative Party have received from trade union members for fundamental reform.

"So many members of trade unions were fed up because they did not have a say before they went on strike and because they felt pushed around by some of the union bosses. They wanted more protection."

Mrs. Thatcher was fiercely critical of the "Day of Action" called by the TUC on May 14 to protest against Government public expenditure cuts and economic policies. She denounced the plan as absurd and ridiculous.

She hoped not many people would take part in the protest as strikes and days of action meant that other nations would get the business that should properly go to Britain. This would only increase unemployment.

In her opinion, one of the hardest decisions she had to take since arriving at 10 Downing Street, had been to put up interest rates to 17 per cent. She admitted that it would take time for Tory policies to work through but she gently criticised Mr. John Biffen, Chief Secretary to the Treasury, for his warning that Britain faced "three years of unparallelled austerity. She referred to the comment as a "Biffenism."

Mrs. Thatcher placed the blame for the current rate of inflation partly on the 100 per cent increase in the price of oil over the last year, and partly on wage rises recommended by the Clegg Commission, which were an overspill from excessive wage demands in the final months of the Labour administration.

Labour call for ban on foreign car sales

By Elinor Goodman, Lobby Staff

THE LABOUR Party yesterday moved a step nearer adopting import controls on cars as official party policy. The National Executive voted in favour of a motion which called for a total ban on the sale of foreign cars in Britain after 1982.

As an interim measure to stem the tide of imported cars—which the sponsors of the motion claimed threatened to destroy the British industry—the Executive also proposed that, with immediate effect, a ban should be put on the sale of all cars containing less than 40 per cent of British-made parts.

The party is already committed to selective import controls but until now there has been no specific reference to the motor industry. Given the fears about jobs in the car industry, however, one of the major unions will almost certainly try to get a resolution through this year's party conference calling for restrictions on the sale of foreign made cars.

If passed, it would then go into the pool of party policies from which the manifesto is drawn—though the present leadership would probably resist any such specific commitment.

Mr. James Calaghan, the party leader, was not at yesterday's meeting, but with the exception of the Young Socialist member of the Executive, all those present apparently agreed with the principle of the resolution and maintained that urgent action was needd to save the British car industry from disaster. Mr. Anthony Wedgwood Benn, however, argued that the motion as drafted was impractical and that it should be made less specific. His amendment was defeated and the original motion, banning the sale of all cars not assembled in Britain after 1982, was passed.

The Executive also approved a motion which indicates again the pressures on Mr. Callaghan from within his own party not to support the Government line on Iran. The NEC, it said, was completely opposed to the use of economic sanctions or military intervention of any kind against Iran.

● Mr. Leslie Huckfield, a member of the Executive and an Opposition industry spokesman, led a deputation of Chrysler shop stewards and Labour MPs to the department of indstry yesterday to protest against the effect of sanctions on Iran on the company.

They said they had been told that sanctions would result in the immediate loss of 1,400 jobs and ultimately pulling out of Britain altogether.

AUEW in policy switch on Labour Party reform

BY ALAN PIKE, LABOUR CORRESPONDENT

LEADERS of the Amalgamated Union of Engineering Workers yesterday won the freedom to reverse the reluctant support they have given left-wing proposals for Labour Party reform.

Last year's support of the AUEW's 870,000 block vote was pivotal in gaining Labout Party conference backing for the mandatory re-selection of MPs and the principle that the party's National Executive Committee should have the final decision on the content of election manifestos.

But left-wingers on the union's policy-making national committee failed by 29 votes to 23 at Blackpool yesterday to keep the AUEW bound to these policies, forcing it to vote this year in favour of the Labour leader being elected by all the party's sections instead of just MPs.

Mr. James Callaghan, the Opposition leader, who arrives in Blackpool to address the national committee today, will be told by AUEW leaders that union policy is now based on a document containing proposals for Labour Party reform which was adopted by delegates by the same 29 to 23 majority yesterday.

These proposals come out against the National Executive Committee having exclusive control of the manifesto and changes in electing the party leader—meaning the union will oppose such reforms if they come before conference again.

The policy document, which will be submitted as AUEW evidence to the Labour Party commission of inquiry, favours mandatory re-selection of MPs, but by a wider body than present constituency general management committees.

The AUEW evidence proposes that trade unions pay their affiliataion fees to local constituencies rather than Labour Party headquarters, as part of a major shift of resources.

It also calls for a reconstituted National Executive Committee split equally between MPs, trade union representatives and lay activists.

Delegates endorsed the document, despite a vigorous campaign by Labour Party left-wingers and Communists on the national committee who claimed the union's plans were an attempt to strengthen right-wing control of the party in the face of attempts at reform.

Sir John Boyd, general secretary and a former Labour Party chairman, said the AUEW was advocating genuine democratic reform.

At present the National Executive Committee was "saturated with MPs" who simply took all hteir arguments and differences from Parliament into the executive. A revamped committee would lead to a different election manifesto.

The union supported mandatory re-selection of MPs, but by the mass of the membership, not by a small nucleus which could be manipulated.

Reasonable prospects for nuclear programme

By Martin Dickson

THE NUCLEAR Power Company has turned Britain's advanced gas-cooled reactor (AGR) programme from a "shambles" five years ago into one with reasonable prospects, Dr. Ned Franklin, the NPC's chief executive, said yesterday.

He was giving evidence before the Select Committee on Energy, which is examining the nuclear expansion programme announced by the Government in December. This involves the ordering of one new power station a year in the decade from 1982, starting with Britain's first American-designed pressurised water reactor (PWR) station. A choice will then be made between the PWR and the British-designed AGR.

The NPC is the operating arm of the National Nuclear Corporation, which has overall responsibility for Britain's nuclear construction programme and was set up by the Government in 1974 in an attempt to rationalise the industry.

Asked whether AGRs would be cheaper to build than PWRs, Dr. Franklin said it depended on the scale of the expansion programme. If Britain was likely to need only one station order every two to three years, then one would go along with the AGR.

But provided there was a reasonable sized programme, the PWR should work out 10 to 15 per cent cheaper. He said there would be a significant demand for replacement power stations in the 1990s, since by then some 45 per cent of the CEGB's installed capacity would be 25 years old.

A decision on whether or not to abandon the AGR in favour of the PWR could not be taken until 1983 at the earliest. There was no chance of demonstrating the acceptability of a PWR sttaion until there had been a public inquiry. The public acceptability of the PWR seemed, to him, the issue most likely to influence the outcome.

Commenting on suggestions that the NNC/NPC was made up of companies which were "warring parties," Mr. Franklin said competition for business between the companies could reach the point where htey were fighting for survival.

Lord Aldington, NNC's retiring chairman, was asked by Mr. Ednyfed Hudson Davies (Lab., Caerphilly), to what extent argument as to who was to succed him showed the industry to be "bedevilled by personality clashes."

Lord Aldington, wh ois to be succeeded in July by Mr. Denis Rooney, said he had never had difficulty in getting agreement in the NNC Board.

Whitelaw makes appeal for shorter prison sentences

BY PHILIP RAWSTORNE

MR WILLIAM WHITELAW, Home Secretary, yesterday appealed to the judges to impose shorter prison sentences for minor, non-violent offenders.

The move could help to reduce serious overcrowding in prisons and strain on the prison service, he told Ms.

"It should be possible to bring about a significant reduction in the general level of sentences without sacrificing the protection which the public is entitled to expect."

Mr Whtelaw was strongly pressed by some Labour and Tory MPs either to increase the remission for good behaviour to half the sentence or to review maximum sentences.

Such measures could be considered if the situation did not improve, he said. But there is evidence that judges were imposing shorter sentences in appropriate cases and he hoped that strategy would be developed.

Mr Whitelaw, reporting that the prison population of 44,000 was "dangerously high," said that efforts to develop alternatives to prison would con tinue.

Public funds of £30,000 would be made available this year to voluntary organisations to provide overnight shelter for people who would otherwise he charged with offences of drunkenness.

"The Government believes that the outside community must play an increasing part, whether through statutory or

WHITELAW: "Prison population dangerously high."

voluntary agencies, in the treatment and containment of offeders, particularly those who haev not committed violent offences," he said.

Full support would be given to non-custodial methods, to which the probation and aftercare service made a major contribution.

Efforts would also continue to to transfer mentally disordered offenders to secure hospitals, Mr. Whitelaw said.

The Government had every sympathy with the May Committee's recommendation that the prison building programme should be increased, Mr. Whitelaw told MPs.

But the present programme designed to produce 3,400 new places by 1985 would be continued within existing cash limits.

A major new dispersal prison would come into use next year and firm plans were being made to start two new projects in both 1981-82 and 1982-83 which would provide 1,500 further places by the late 1980s.

Mr. Whitelaw also announced that he accepted the May Committee's recommendations on the reorganisation of the prison service.

The Prison Department would be given wide delegated authority within the Home Office for the management of its staff and finance.

A new post of Deputy Director General would be created and membership of the Prisons Board expanded to include the four regional directors and two outside non-executive members.

A seperate Prisons Inspectorate would be set up under a new Crown appointment of Chief Inspector of Prisons who would report directly to the Home Secretary.

Mr. Merlyn Rees, the Labour spokesman, welcomed the measures though other Labour MPs criticised them as inadequate.

Mr. Rees said: "It is my strong view that there must be a radical reduction of the prison population. It needs political will"

Shopworkers to fight automation on jobs

SHOPWORKERS yesterday opposed the introduction of automated systems which cut jobs.

The Union of Shop, Distributive and Allied Workers' conference in Bournemouth voted unanimously to resist new technology in shop warehouses and mail order companies "where it is clear that it is being implemented to swell the profits of the company at the expense of the workers and their jobs."

The conference also called on the executive committee to negotiate agreements stipulating no redundancies, loss of pay or reduced hours of work.

Mr. John Flod, deputy general secretary, said he would begin negotiations today with the multiple food retail trade covering 140,000 workers on the first draft of a technology agreement.

Mr. Flood said. "There is no arresting the development of new technology. Atempts to stop it will lead to decline as a nation. As a union we will co-operate, but we will not co-operate on terms dictated by employers."

A large number of unions will debate new technology in their forthcoming conferences, many expressing the heavily qualified support for its introduction which was evident in the USDAW debate

Robinson tribunal may call for Duffy

Financial Times Reporter

MR TERRY DUFFY, president of the Amalgamated Union of Engineering Workers, and the union's general secretary, Sir John Boyd, may be ordered to appear before a Birmingham industrial tribunal.

The tribunal is hearing a claim of unfair dismissal from sacked BL shop steward convenor, Mr Derek Robinson, but an issue of jurisdiction has been raised.

BL claims he was dismissed on November 19 last year and he has put in a claim of unfair dismissal outside the three-months statutory time limit.

Mr Robinson is claiming that an agreement was reached on November 27 between BL executives, on the one side, and Mr Duffy and senior union officials on the other. Mr Robinson claims this altered his dismissal date to February 7 this year.

He told the tribunal that he did not know the terms of the agreement at the time, and still did not know. He only knew that he had been paid his wages until February 7 and that the company had been prepared to give evidence to an inquiry set up by the trade union.

ACAS drops club inquiry

BY OUR LABOUR STAFF

AN INQUIRY into union recognition at the Playboy Club and Victoria Sporting Club, London, has been dropped by the Advisory, Conciliation and Arbitration Service.

ACAS said yesterday that its council had decided "in view of the company's apparent unwillingness to co-operate" that it was impossible for it to obtain directly the opinions of the 350 workers concerned on the question of recognition.

● Raymond Hughes, Law Courts Correspondent, writes: Proposals in the Employment Bill to reduce the powers of ACAS and the Central Arbitration Committese made a legal action over a union recognition claim "academic," the High Court was told yesterday.

By consent, Mr. Justice Dillon dismissed with costs the action by the British Shoe Corporation Footwear Supplies against ACAS and the Union of Shop, Distributive and Allred Workers.

TUC warning on Welsh jobless

BY ROBIN REEVES

WALES REQUIRES over 13,000 new jobs a year between now and 1985 in order to even hold unemployment at its already high level of 8.5 per cent, according to a Wales TUC memorandum submitted to the Commons Select Committee on Welsh Affairs yesterday.

It said the Government's decision to scale down regional assistance had been taken at a singularly bad time for Wales. This was not only because of the crisis in steel and coal and the continuing depression of the economy but also because of the very severe restraints imposed on local authority expenditure.

It forecasts that, in the absence of policy changes, numbers out of work would rise from the current 90,000 to over 140,000 by 1983 and nearly 156,000 by 1985.

An even more gloomy forecast, published this week by the Economic Research Institute of the University College of North Wales, Bangor, predicts an even higher 1983 Welsh unemployment figure of 172,000, or 14 per cent of the working population. In North-East Wales it would be as high as 20 per cent.

The Wales TUC warned there was little evidence to suggest the replacement of jobs on the scale required would materialise without very significant changes in both the methods of persuasion and the means of delivery exercised by central Government and its agencies.

The Government was placing considerable faith in the release of entrepreneurial initiative. But official Welsh Office statistics showed that during the period 1966-77, only some 600 jobs a year had been created in this way in the manufacturing sector. This was hardly the answer to the 50,000 jobs at risk as a result of the Welsh steel industry run down, it said.

The Wales TUC stressed it was also unimpressed with the proposed creation of at least one "enterprise zone" in Wales. The industrial estates within the steel closure areas of Ebbw Vale and Shotton were remarkably free of "red tape" and offered considerable incentives and assistance to incoming businessmen. Yet the flow of jobs remained well below requirements.

The Wales TUC argued that the Welsh Development Agency should be allowed to adopt a more active and aggressive approach to industrial investment. A labour subsidy, akin to the regional employment premium, should be introduced, and a coherent and dynamic programme drawn up, with clear targets for the reconstruction and regeneration of the economy of Wales.

Later, Mr. Leo Abse, chairman of the select committee, was critical of an estimate by the Manpower Services Commission that unemployment in Wales would rise from an average 93,000 in the first quarter of this year to only 113,400 in the first quarter of 1981.

Mr. J. B. Cassels, Director of the MSC, said that if school leavers were taken into account and steel and coal redundancies, the MSC would not disagree with the Welsh Office estimate of 125,000.

Uncertainty over new town assets

By Robin Pauley

THE GOVERNMENT admitted yesterday that it had no idea what would happen to any unsold industrial and commercial assets in new towns once the machinery to administer them had been run down.

The Government is committed to requiring new towns to dispose of their assets. The intention is to abolish all but the third generation of new towns and to abolish the New Towns Commission.

Mr. Guy Barnett (Lab., Greenwich), asked Mr. Marcus Fox, junior Environment Minister, what would happen to any assets left over unsold.

Mr. Fox said it had not been decided. The Government was "open to suggestions" and the possibility of local authorities taking them over was one interesting idea.

Print lockout may hold the key to future of new technology

PRINT COMPANY and provincial newspaper employers made clear this week that they were fighting for high stakes when they called for the national lockout of thousands of members of one of Britain's most powerful print unions.

The outcome, they believe, will have far wider implications than settlement of the immediate pay dispute with the National Graphical Association. It wil lalso set the stage for industrial relations in an industry much affected by new technology.

The challenge to historical union practices from technological change is, however, not a new experience for the print unions — especially the NGA, which figured prominently in the recent industrial relations crisis in Times Newspapers.

Latest developments in the present battle with the NGA, which since last week involved its Fleet Street members in sympathetic industrial action, has not taken the employers by surprise.

Even five weeks ago when selective industrial action first started in the provinces, employers in the British Printing Industries Federation were talking in terms of an eight-week siege. Some employers are now preparing for the struggle to last another month or even longer.

Despite several attempts over the past few weeks to reconvene talks between the two sides, culminating in last Friday's abortive meeting under the auspices of the Advisory, Conciliation and Arbitration Service, deadlock remains.

Two otherprint unions, SOGAT and NATSOPA, have accepted the employers' 20.6 per cent pay offer in a ballot and this, at one point, prompted employers to consider organising unilaterally a ballot of NGA members. This idea was later rejected.

For both sides the length of the struggle could depend on which side is starved first into taking a new negotiating initiative.

The NGA members who have been suspended without pay are receiving £22 per week out of a £6.20 per week union levy fund.

Employers represented by the Newspaper Society meanwhile have given strong backing to the national call for a lockout but this week's problems in maintaing concerted action

PAULINE CLARK on a dispute which both sides believe could have far-reaching implications for the print industry.

among print companies has demonstrated the financial fears of Federation members.

The NGA wants an £80 minimum earnings level and a 37½-hour week to be implemented this year compared with the £75 employers' offer and proposals for a phased reduction in the working week to 37½ hours by July 1982.

The employers have costed the union's demand, taking into account the affects on overtime pay and other benefits, at 25 per cent to 40 per cent—which they say the industry cannot afford.

At the heart of the battle lies the issue of new technology which affects members of the NGA more than those of the other print unions. The NGA summed up its attitude to the employers' offer in a circular to its members of the start of the dispute.

". . . the NGA went some considerable way in making concessions of productivity/flexibility; manning; upgrading; retraining and transfer of craftsmen, trainee recruitment in origination and the apprenticeship system. The majority of proposals affect the NGA directly. Their content is so far-reaching and so fundamental that the offer the employers are forwarding in new money and hours is simply not good enough."

Mr. Joe Wade, general secretary of the NGA, has also referred during the dispute to "the myth" that provincial printers are paid similar rates to those in Fleet Street—so adding a further dimension to the union's aspirations. Provincial printers' minimum earnings are currently just over £82.20 against £150 to £200 in Fleet Street.

Average earnings for print-craftsmen on provincial newspapers are put currently at £130 a week and for those employed by general print companies at £115 a week.

Five weeks ago, the NGA began offering members of the Federation, at local level exemption from industrial action in exchange for an interim agreement which meets its demand.

While national employers' representatives in the Federation and the Society fight to preserve a national agreement which they hope will protect the industry from paying too high a price for co-operation on new technology, the union is convinced it can do better with local deals.

● NEWS ANALYSIS — THE TREASURY AND CIVIL SERVICE COMMITTEE HEARINGS

Insight into the economic strategy

BY PETER RIDDELL ECONOMICS CORRESPONDENT

THE DEBATE ABOUT economic policy will never be quite the same again. The 11 MPs on the Treasury and Civil Service Committee earlier this week completed over nine hours of public hearings which broke new ground in the examination of the Government's economic strategy.

The resulting report, now being finalised, could—judging by the MPs' questions—turn out to be highly sceptical about some of the key assumptions underlying that strategy.

The inquiry has been novel in several respects. First, it has attracted considerable public attention. One of the sessions attended by Sir Geoffrey Howe, the Chancellor, was packed out and other involving both Mr. Gordon Richardson, the Governor of the Bank of England, and senior Treasury officials have attracted fairly full houses.

But has all the attention been justified? The committee was only set up last November and is still finding its feet.

Some features are already clear. Under the chairmanship of Mr. Edward du Cann, the committee has shown a clear desire to avoid party divisions: indeed, some of the sharpest questioning of Sir Geoffrey and the Governor came from Tory MPs (and Ministers in the Heath administration) such as Mr. Terence Higgins and Mr. Kenneth Baker.

Inevitably the sessions—two with Sir Geoffrey, one with the Governor and two iwth officials—have varied in quality. Some of the questioning has been random and too much time at one session with Sir Geoffrey was spent on details rather than key issues of the strategy.

But the overall impression is that the MPs are better prepared — helped by part-time special advisers—and better co-ordinated in their questioning that previous select committees.

The key issue is how far public understanding of the Government's strategy (and its limitations) has been advanced by the sessions. The view of most MPs and regular attenders is that direct questioning of both the Chancellor and the Governor has provided a greater insight than any number of speeches into their view of the relationship between monetary policy nad reducing inflation, and of the priority of greater price stability.

More specifically, the committee has highlighted the probably conservative nature of the Government's assumptions about future North Sea oil tax revenues and, on the other side, the apparent over-optimism of the projected improvement in the financial position of nationalised industries.

The hearings have also pointed to the absence of detail about the Government's future plans about housing and about the split between capital and current expenditure. The disclosure that the central Government's paybill in 1980-81 is likely to be a quarter higher than in 1979-80 has stimulated further concern about control over public sector pay. Little of this might otherwise have come out from the the analysis of Press, academic or City commentators.

Much hsa been made of the refusal of the Treasury to disclose specific forecasts about unemployment or the financial position of industry.

But while the dividing lines about the disclosure of such information are still unclear, the Chancellor, the Governor and officials in practice said a considerable amount about how they believe the strategy may work.

The answers may not have been satisfactory to many of he MPs, but that itself was significant.

Quite separately—and with far less publicity—a sub-committee of the main committee under Mr. Robert Sheldon, a former Treasury Minister, has been looking at the tax aspects of the Budget.

This is just the type of factual questioning of officials about the details of a Finance Bill before the more partisan legislative process which has long been favoured by Parliamentary reformers.

It may have been unexciting but no one, for example, can have gone away any longer believing in the desirability of retaining the reduced rate band of income tax.

All this scrutiny does have its costs, and much more time is spent by officials in preparing for public sessions than in actual attendance. A good deal of muttering can already be heard about the lengthy questionnaire which has been sent out not only to the Treasury and Bank, but also to academics and to financial and industrial bodies in preparation for the forthcoming inquiry into the workings of the monetary system.

It is an open question whether a committee is the right forum for such a technical inquiry. The sceptics can also question whether the result will be better policies on economic performance. But Governments can no longer count on such policies going forward unquestioned.

SOGAT warning on differentials

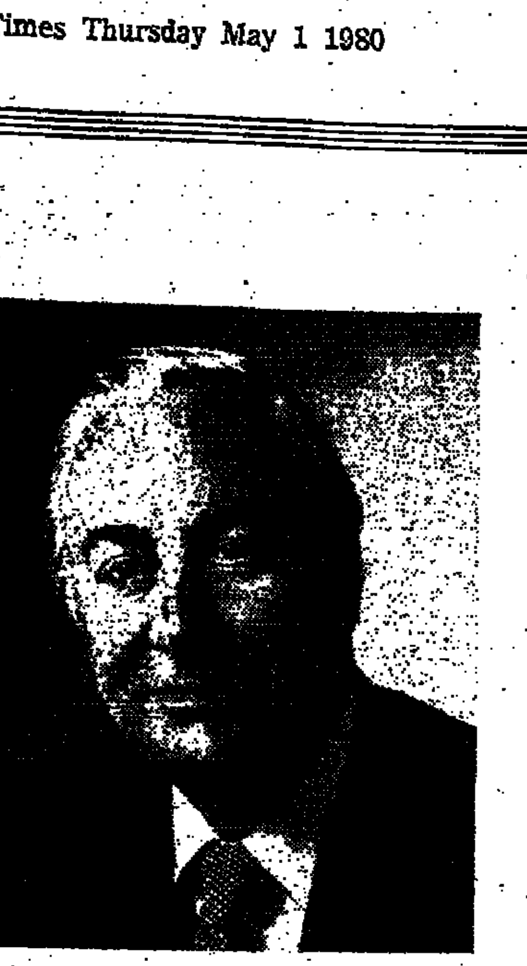
BY PAULINE CLARK, LABOUR STAFF

THE Society of Graphical and Allied Trades yesterday warned it would consider industrial action if differentials were not maintained in the present national dispute over provincial print-craftsmen's pay.

Mr. Bill Keys, general secretary of SOGAT, told provincial newspaper and commercial print company employers that his union would not be able to honour its own pay agreement if employers yielded to the printcraftsmen's demands. Industrial action had not been ruled out.

The printcraftsmen in the National Graphical Association have been taking selective industrial action for more than five weeks over a claim for an £80 minimum earnings level.

The Society, and another major print union, NATSOPA, who are included in the industry's national joint agreement have accepted by baloit the employers' offer of 75 a week minimum earnings.



Mr M G R Sandberg, OBE, Chairman

The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with Limited Liability

Statement to shareholders by the Chairman, Mr M G R Sandberg

This is the first year in which my statement to shareholders has been made available before our Ordinary General Meeting and we have accelerated the production of our Report and Accounts to make this possible.

The Group profit for the year was HK$1,014 million and that of the Bank itself HK$869.5 million. This represents increases of 39% and 47% respectively over the profits for 1978. Dividends received from Group members are included and as usual outside interests have been deducted in the case of Group profits. The profits of the Bank are stated after provisions considered prudent and sensible by your Board.

We have again increased the transfer to published reserves to a figure of HK$150 million and are recommending to the Ordinary General Meeting a final dividend of HK$0.50. After taking into account the interim dividend of 24 cents and the increase in capital following on last year's bonus issue of one new share for every two held, the total distribution to shareholders will show an increase of about 39% compared to last year.

Although it has remained our policy over many years not to rely on bought in money the balance sheet figures have nevertheless again increased considerably and in order to keep our capital in line with these increases we are recommending to you a bonus issue of three shares for every five held. As announced there will be an Extraordinary General Meeting after the Ordinary General Meeting to approve this. If approved $1,039,372,825 will be capitalised from the Reserve Fund and the Reserve Fund restored by transfers of HK$830,000,000 and HK$209,372,825 from the Bank's inner reserves and retained profits respectively. This will still leave carried forward profits in the Bank's accounts of HK$100 million. We shall require the authorised capital to be increased to HK$4,000 million and your approval for this will also be sought.

Your Directors are quite confident that total distribution for 1980 will not be less than that for 1979, meaning dividends of not less than 47 cents per share on the increased capital as proposed.

1979 has proved a record year for your Group and has produced a rather better increase in profits than anticipated, but if one remembers that perhaps around half of the increase is needed just to keep up with inflation around the world, it puts the figures in a truer perspective.

I mentioned to you last year the tendency of economic pundits to be too gloomy and indeed the much heralded recession in the Free World has not come about. However the failure, effectively, to reduce inflation coupled with the energy price rises in the last year are not making those same economic forecasters any more cheerful. While a recession may come, and indeed may be the drastic remedy required to curb inflation, I find it difficult to see a recession of any scale in the United States during a Presidential Election year. Meanwhile economic activity in Japan and Western Europe has shown a remarkable capacity to sustain fundamental growth despite the problems faced.

It is to be hoped that a pragmatic approach to the solution of major economic problems can be sustained during the 1980s. We can take some encouragement from the example of the normalisation of Sino-American relationships which seems to have opened the bridge between the needs of an immense market and the capacity of Western technology to supply that market, in an orderly process characterised by realism on both sides.

It is comparatively easy to comment on the interlocked political and economic hazards which beset the world, but somewhat more difficult to convey an awareness that many areas are still making important progress despite the hazards. The ASEAN countries, for example, in which the Group has a major operating presence, appear to be maintaining their average annual growth rate of 7-8%. Indeed if one considers the Asia-Pacific region in general it is possible to feel hopeful that its development will be the outstanding economic trend in the last two decades of this century. This progress will of course depend upon the ability of the developed and less-developed nations to create a more balanced economic system and overcome the pressing problems of global inflation and energy shortages. The daunting scale and complexity of this task is such that realism dictates a cautious outlook for the beginning of the 1980s.

The optimism generated by the prospect of increased development in the People's Republic of China has had an effect upon the economy of Hong Kong and therefore upon the affairs of your Group.

It is good to report generally full order books for Hong Kong industrialists at least for the first half of the current year.

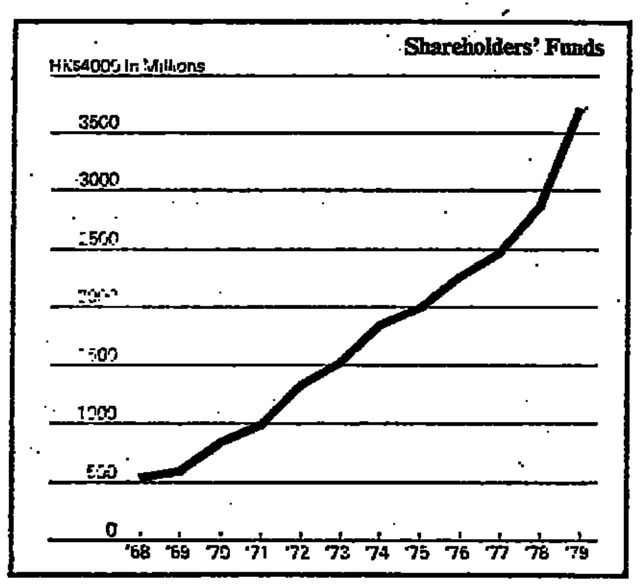
1979 saw the opening of the first stations on the Mass Transit Railway system in Hong Kong, a major feat of civil engineering for which the Group organised over a third of the finance through Wardley Limited. The Mass Transit Railway will undoubtedly play a major role in easing Hong Kong's traffic problems, and its completion reflects the readiness of the community to tackle infrastructure projects with determination.

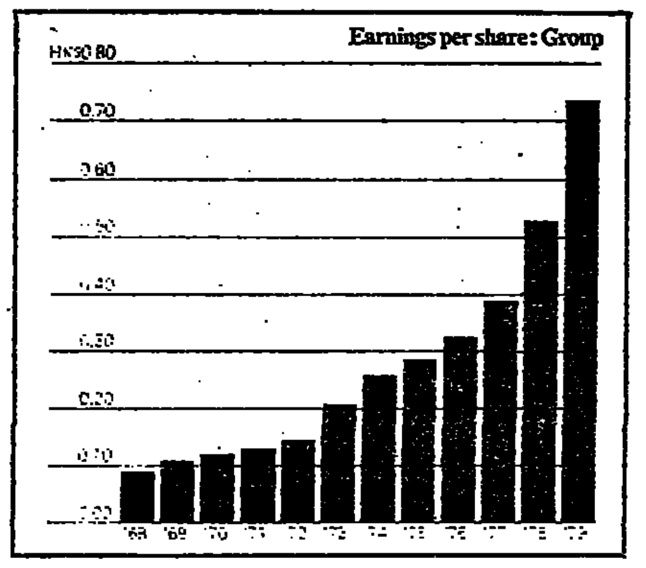
Two particularly important events for your Bank have taken place since our last meeting. First the completion of the first phase of our investment in Marine Midland Bank, and secondly the definite decision to go ahead with the redevelopment of our Headquarters at 1 Queen's Road.

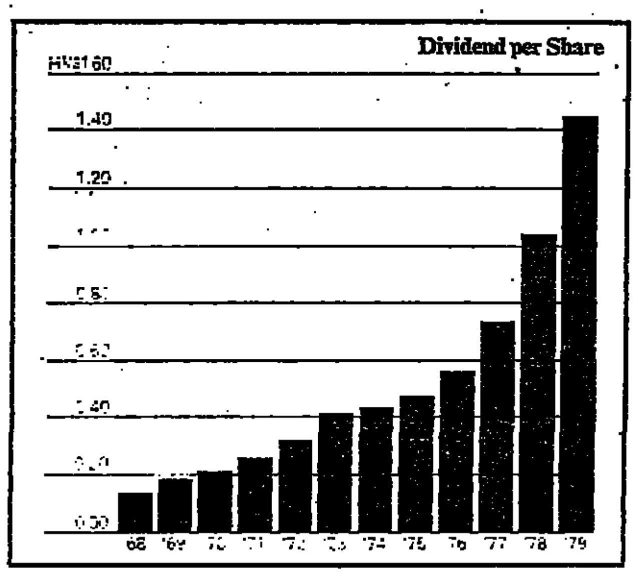
Marine Midland's successful application to convert into a National Bank cleared the way for our tender offer to their shareholders to purchase 25% of the outstanding stock. This received a very favourable response and was well oversubscribed. It led to our taking up the first tranche of new capital in Marine Midland on 4 March 1980 when we became 41% stockholders in that institution. Under our agreement the second tranche of new stock will be taken up by us by the end of this year. At that time our investment will be 51% at a cost of US$314 million.

1979 HIGHLIGHTS

	1978	1979	1979
	HK$ millions		£ millions
Issued Share Capital	1,155	1,732	158
Reserve Fund	1,427	1,636	149
Retained Profits	295	341	31
Deposits	74,654	97,374	8,885
Advances	37,107	42,652	3,892
Bank Premises	1,241	1,541	141
Net Profit	728	1,014	93
Total Assets	98,464	125,292	11,431







Naturally we are delighted at the successful outcome of what have been protracted negotiations over a two year period but which served to confirm our confidence in the benefits which will accrue to both banks. We look forward to cooperating actively with Marine Midland in extending the range and scope of our services. The combined assets of both our organisations total more than US$40 billion, and this joint strength places us effectively among the major international banks in the world.

The Board has decided in favour of a complete redevelopment of our Queen's Road Headquarters. As we said at the time this is evidence, if evidence were needed, of our long-term commitment to Hong Kong. We are determined that the redevelopment will produce a building of which the Bank and Hong Kong as a whole can be proud and with the appointment of Foster Associates of London as our architects we are confident this will be achieved.

Elsewhere in Hong Kong we continued to expand the number of branches to provide easy access to customers in developing new towns and the older urban areas. This will continue when and where necessary although as we now have some 230 branches in Hong Kong we expect the opening of new offices to slow down somewhat.

During the year the Bank disposed of its ordinary shares in Hutchison Whampoa. This was in line with our promise when we took up our investment in 1975—at that time in Hutchison International—to sell when conditions permitted and in an orderly manner. The profit generated from the sale was treated as an extraordinary profit and transferred direct to the Bank's inner reserves. As such of course it is not included in the profit figures mentioned earlier.

Hang Seng Bank had another record year both as to profits and dividend distribution. They continue to thrive under the guidance of Mr S H Ho as Chairman and Mr Q W Lee as Chief Executive.

Internationally our operations were very encouraging particularly so in the Far East and this is shown by the larger increase in profits shown by the Bank itself over that of the Group.

The British Bank of the Middle East showed a small increase in profits.

Shareholders will, I am sure, have read of the transfer of the Head Office of The British Bank of the Middle East from London to Hong Kong at the beginning of this year. This will allow closer and speedier liaison within the Group without in any way reducing the service we offer our constituents in the Middle East. This has meant a new Board of Directors in Hong Kong for The British Bank of the Middle East but I would like to pay tribute to the resigning directors, many of whom have given very long service and all of whom have taken a very close interest in the affairs of that Bank during a time when there has been a generally unsettled and sometimes turbulent atmosphere in the area in which it operates. I am glad to say that their counsel will not be lost as, with the exception of Mr Macqueen, they will be forming an advisory committee in London. Mr Macqueen who was in turn Chief Executive and later Chairman completed 50 years service with The British Bank of the Middle East before his retirement from their Board at the end of the year.

The Bank of Iran and the Middle East in which the Group had a 35% interest was nationalised during 1979 and we still await compensation. The Saudi British Bank, in which the Group holds 40%, has established itself very successfully under the able chairmanship of Sheikh Suliman Saleh Olayan.

Mercantile Bank Limited showed some progress although profits were down on 1978. The economic problems of India, exacerbated by political uncertainty, made trading conditions difficult and it is to be hoped that the incoming government will move swiftly to restore some measure of business and investment confidence. Similarly in Mauritius results were adversely affected by prolonged industrial and labour strife. The results achieved by Mercantile nevertheless reflect favourably on the staff involved.

Our Canadian operations continued to expand although the continuing delay in the grant of charters to foreign banks has had an inhibiting effect on our plans to move to a full banking operation.

In Australia we restructured our operations by Wardley Australia Limited – a wholly owned subsidiary of Wardley Limited – taking over the Group's business there. The start has been most promising.

Wardley itself reported continued growth and record profits. Their dividend was increased from HK$30 million to HK$47.5 million. Wardley's development is particularly important enabling the Group as it does to take advantage of the increasing trend toward transnational financial arrangements.

Wardley Middle East Limited continued to make progress during a difficult year dominated by political uncertainty in its area. Our finance companies in Brunei, Hong Kong, Malaysia and Singapore all produced good results and expanded their operations. The growth of our insurance ventures during the year was also very satisfying and we are confident that they will not only be making a significant contribution in future years but are a valuable addition to the range of our services.

Wayhong Investment which holds our transport portfolio had another good year with increased returns coming from the World-Wide Group of companies and from Cathay Pacific Airways.

At the end of last year we announced we were holding talks with Antony Gibbs which might lead to our purchasing the 60% in their company which we do not already own. Negotiations with Antony Gibbs continue and I hope to be able to say something more on this subject at the Ordinary General Meeting.

We are providing shareholders with a review of Operations as part of this year's Annual Report, and we believe that this will give some idea of the very wide range of services we now provide, both geographically and operationally. My full International Survey, which hitherto has accompanied the Annual Report, will be available on request shortly after the Ordinary General Meeting.

There has been a number of changes in your Board. In accordance with the agreement with Marine Midland, we have invited three members of their Board to join us. They are Messrs E W Duffy, Chairman, J R Petty, President, and R W Hubner, a Director and former IBM Senior Officer. Messrs Li Ka-shing and J F Holmes have also joined us, as have two additional Executive Directors, Messrs P E Hammond and I H Macdonald. To them all we extend a warm welcome, confident that their experience in different fields will contribute significantly to our counsels.

Mr P G Williams, upon relinquishing his executive role in Inchcape, is stepping down as Deputy Chairman after the Ordinary General Meeting but I am glad to say he has agreed to stay on the Board. His place as Deputy Chairman will be taken by Sir Y K Pao.

Mr G R Ross who has been on your Board for twelve years retires after this meeting under Regulation 89(h). I would like to put on record the great debt I and my predecessors owe Mr Ross for his dedication to the Bank's business.

As always, it is my pleasure and duty to remind shareholders of the debt we owe to a hard working staff who now number some 23,000 around the globe. This statement of mine has, perforce, been written some little time before the Ordinary General Meeting, when I will, if necessary, bring shareholders up-to-date with the affairs of the Bank. However, I hope that the Annual Report does at least present shareholders with a portrait of a vibrant organisation poised to take advantage of opportunities as they arise during this new decade.

The Hongkong Bank Group

Principal subsidiaries and associate members of The Hongkong Bank Group:-

The British Bank of the Middle East
The Mercantile Bank Limited
Wardley Limited
Hang Seng Bank Limited
The Saudi British Bank
The British Bank of the Lebanon, S A L
Antony Gibbs Holdings Limited
Wardley Middle East Limited

Services offered by the principal subsidiary and associate companies of The Hongkong Bank Group:

BANKING · MERCHANT BANKING SERVICES · FINANCE AND INVESTMENT · INVESTMENT MANAGEMENT
EXPORT CREDIT · INSURANCE SERVICES · BULLION DEALING · COMPANY DATA INFORMATION
TRAVELLERS CHEQUES · CREDIT CARDS · TRUSTEE SERVICES · NOMINEE SERVICES

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

New rolls for old

DESPITE the state of chaos in much of the world's steel indu try, Sarclad International, the joint BSC-ESAB company selling technology developed for the manufacture and reclamation of steel mill items, is experiencing steady and continued progress in its operations Invoice sales are expected to top th e£1m mark during the current year.

At this point in time, Sarclad International has three big contracts in hand for the supply of the Sarclad package. During April/May a 25 tonne capacity plant (that is top roller weight) will be installed and commissioned at the BSC River Don and associated works in Sheffield. This plant will complement the existing facility of three Sarclad machines.

These are used by BSC River Don to manufacture and reclaim hot mill rolls for the rolling mills of the British Steel Corporation, by welding on a new, hard surface to worn rolls.

Later this year, in June it is expected, two plants of 5 and 40-tonne capacity will be delivered to Asturiana de Recargues Siderurgicos (Arside), at Mieres in the North of Spain. This is a joint company owned by Sr. Lopez de Haro and Ensidesa, the Spanish State Steel Corporation. Arside was specifically formed for the application of Sarclad technology within the Spanish and Portuguese steel industries.

At the end of September this year, a five-tonne capacity plant is to be installed at BSC Cumbria Engineering, Workington, on the north west coast of England. This plant will strengthen the company's existing machine rollers and spares.

Prospects for Sarclad International look bright, with orders anticipated from countries as far apart as Venezuela, US, Canada, Sweden, India, the Eastern bloc and Pacific areas.

Sarclad International, POB 99, Brightside Lane, Sheffield S9 2RX. Sheffield 449071.

Machine for training

A COMPUTER numerically controlled (CNC) lathe designed for educational and training purposes, will be offered by Hydro Machine Tools of Halstead, Essex (600 Group), early next year.

To be known as the Hydro-Colchester Triumph CNC, the machine, based on the Colchester Triumph 2000 lathe, will incorporate the International General Electric (IGE) Mark Century 1050HL CNC two-axis contouring system with full manual programme input facilities, inch/metric capability and automatic machining routines.

Offering a 390mm swing over bed, it has 750mm between centres, 54mm spindle bore, spindle speeds from 25-2,000 rpm, manual three-jaw chuck, and a 5.5kW (7½ hp) motor. A range of additional, optional equipment will also be available.

● PROCESSING

Recovery of metal

A NEW process for recovering valuable metals from solutions used in the plating industry is being shown for the first time on the Electricity stand at the Surface Treatment and Finishing Show (NEC, April 28-May 2, 1980).

Developed by the Electricity Council, the "Chemelec" cell has a very short payback period.

AB Electronic Components of South Wales is successfully using this cell for recovering cadmium from solutions employed in plating many of its products. This electrolytic process is also in use at Abrahams and Co (Birmingham), Tyne and Wear, where nickel-iron is recovered from rinse water in the electroplating process of the company's decorative and table ware.

In addition to conserving valuable metals such as copper nickel, nickel-iron, zinc, cadmium, cobalt, silver and gold, the cell reduces or even eliminates the possibility of penalties imposed by water authorities due to the level of contamination in discharged effluent from plating plants.

Electricity's role in plating is fundamental to the operation. The electrolyte is heated so that the maximum effective current is delivered. More and more companies are reviewing their use of steam for electrolyte heating and finding that off-peak electric heating can be very attractive. This is because of the high cost of the fuel otherwise needed for steam raising and its low utilisation efficiency at the point-of-use.

Where electricity is used for vat heating heaters directly immersed in the solution are generally used, over-the-side elements being the most frequent arrangement. The superior control offered by the electrical route ensures that process temperatures are maintained throughout the production period. Electricity also offers the flexibility that affords quick and easy start-up, at the same time providing any other control function required by the process.

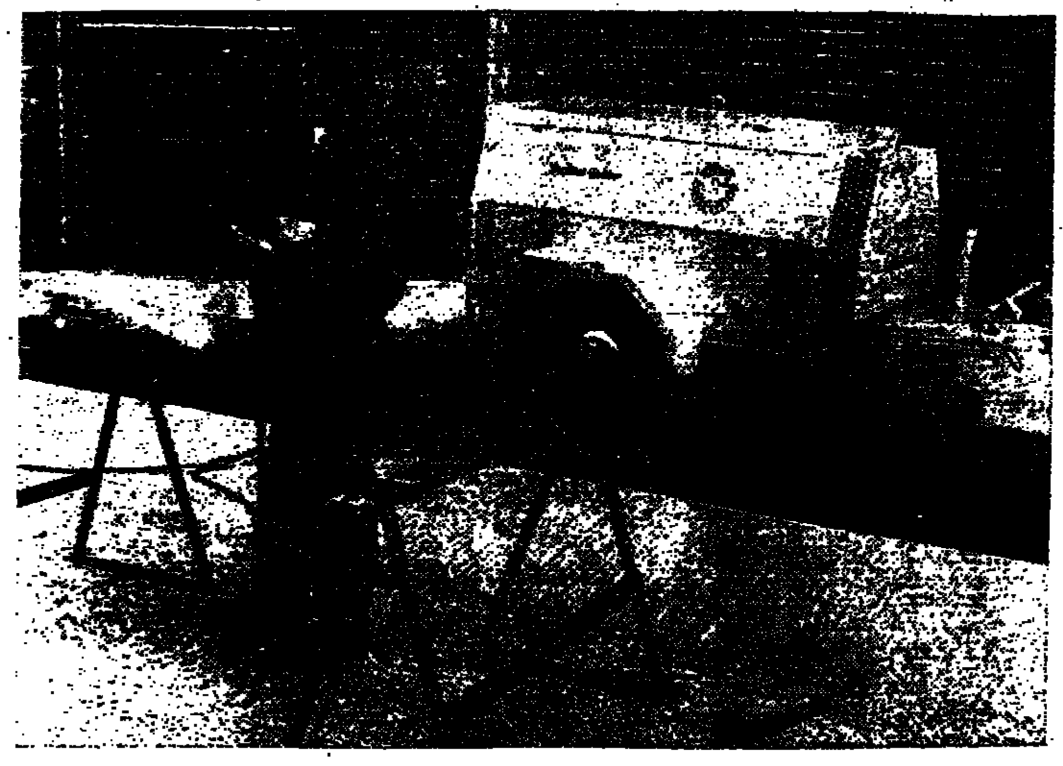
Electricity Council on 01-834 2333.

Colouring carpets

ERRORS MADE in colour selection of carpeting, or the latter's eventual wear and fading, can be remedied with application of a new process for in situ dyeing carpets introduced from the U.S. by Thuroclean International, 111 Bedford Court Mansions, Avenue, London WC1.

Used successfully at Penta Hotel in London (where maintenance of pale orange carpets had created insurmountable problems) the process is said to cause a minimum of interference and inconvenience to day-to-day activities, because the dye becomes fast almost immediately after application and, although carpets remain damp for a day or so after dyeing, they may be used without the dye transferring to any other flooring.

Process enables colour changes to harmonise with a new decor and will also hide areas where colours have been effected by spills, sunlight or even flooding.



This mobile 400 amp diesel welder has been designed specifically for good manoe specifically for good manoeuvrability and high speed towing, up to 50 mph, behind a one-ton van or car. It is manufactured by Sentinel Power Systems, Station Street, Leek, Staffs (0538 372000). Power choice is a Ford 2.4 litre water-cooled diesel or a Lister 3-cylinder air-cooled engine. A 3 kW 220 or 110 volt AC power source is also available for tools and lighting, etc.

● INSTRUMENTS

Traces buried cables

BY MAKING use of the radiated harmonic content of a buried mains cable, a lightweight location equipment from Abbott Birks and Company can locate conductors buried to a depth of four metres.

By tuning to 250 Hz instead of 50 Hz the company has obtained better sensitivity through higher amplification and higher magnification turned circuits. A smaller coil also gives rise to better directionality.

The 250 z signal is presented to headphones, becoming louder as the cable is approached. In addition however, a meter reading is provided and there is also a bleeper unit fixed to the casing which produces a 1 kHz intermittent note the pulse rate of which bemoes more rapid as the cable is approached.

After some adjustments of sensitivity (related to the current in the cable) it becomes a simple matter to place the tip of the probe-shaped equipment immediately above the cable and its path can be traced by side-to-side movements. A calibrated sideways displacement method also allows the depth to be measured.

More from East Portway, Andover, Hants SP10 3NJ (0264 64511).

Easy-to-clean meter

HYGENIC flowmeter equipment for foodstuff and dairy operations by Neptune Measurement is a single acse, oscillating piston meter fabricated in stainless steel and synthetic polymers.

The measuring element of the new meter is a positive displacement, hollow, cylindrical piston, guided in a rotary-oscillatory motion by the walls of the cylindrical containing chamber, a diaphragm and a magnet carrier which serves as a control roller. These components are so arranged that a precise volume of fluid is metered during every complete oscillation of the piston. In turn, this oscillation rotates the magnet carrier. The rotary motion is transmited magnetically through the wall of the meter chamber to an external follower magnet conected with a Neptune register.

Hygienic meters are easy to clean. Six large plastic knobs permit fast removal of the cover and 'O' ring gasket, and the two parts which move in the liquid (the plastic piston and the moulded magnet carrier) can be lifted out for cleaning n anpaosiawrm dfiKolhas ing in soap and warm water.

The new meter is fited with ISS conections for standard two-inch hygienic fittings, is biologicall inert and is chemical and abrasive-resistant. With a flow rate range of 16 gpm to 125 gpm at a maximum pressure of 100 psi, it should find application throughout the food-processing industry.

Neptune Measurement manufactures a complete range of liquid and gas flow measurement and control systems. This range includes vortex shedding flownmeters for liquids, steam, gases, and cryogenic liquids and positive displacement meters suited to liquid aplications of almost every type.

Neptune Measurement, POB 2, Dobross, Oldham, Lancs. OL3 5RD.

● ELECTRONICS

Checks on fuel use

ORGANISATIONS THAT dispense fuel to their vehicles from their own pumps might be interested in a mocroprocessor-based office console which keeps a running check and provides a complete record of which keyholder has drawn fuel, at what time, from which pump and in what quantity.

Offered by Permex, the unit is designed to complement the Fleetman high speed single and multiple outlet diesel fuel dispensing system but it will work equally well with conventional fuel pumps and can control several pumps in simultaneous use.

To draw fuel the holder of a valid key simply inserts it into the key reader at the dispensing point. The console electronics will then turn on the pump and print out the transaction on a ticket, storing the details in a built-in magnetic tape cassette. Non-valid keys will sound an alarm.

Permex is at 110a Mill Lane, London NW6 1NG (01-435 8228).

● IN THE OFFICE

Plain paper copier

CONTENDER for the small-volume end of the £250m UK plain paper copier market, launched by Pithey Bowes, the Model 5200, has been developed for users with an average monthly requirement of around 2,500 copies, peaking to 8,000.

The typical user, says Pitney Bowes, will be either a branch office of a large group, or a small business that employs 50 or fewer people, in wholesaling or retailing, in manufacturing and construction, transport service industries and in the professions.

The 5200 requires no warm-up period, and its first copy is produced in less than four seconds, with a further 14 more made within a minute, either on plain bond paper or company letterhead, printing on both sides if required. Maximum copy sizes are A4 and foolscap. The paper cassette holds up to 250 sheets. Only the degree of exposure has to be chosen and the number of copies selected—between one and 20—before printing.

Pitney Bowes is at The Pinnacles, Elezabeth Way, Harlow, Essex CM19 5BD. Tel.: Harlow (0729) 26731.

● PRINTING

Letterpress plate easy to mount

AVAILABLE FROM Letterflex Systems is a letterpress printing plate made from Polyfibron, a polymer-impregnated composite material chemically modified to give physical strength and dimensional stability.

The plates are said to cost about 20 per cent less than their aluminium counterparts and are also very easy to hadle, being very lightweight and having no sharp edges.

Mounting on to the press is said to be fast and simple and exhaustive tests have shown "print qualit' to remain consistently equal to that of metallic plates."

Polyfibron substrate plates are for use with the company's dry development (air knife) system.

More details from W. R. Grace, Northdale House, North Circular Road, London NW10 7UH (01-965 8931).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.3	103.0	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.1	106	106.2	144.8	1,299	256
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
3rd qtr.	113.1	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.9	104.0	106	101.7	151.9	1,286	230
Nov.	114.4	105.5	114	102.5	153.2	1,282	234
Dec.	112.5	103.9	103	101.7	153.1	1,294	219
1980							
Jan.	111.9	102.4		103.0	155.3	1,339	207
Feb.				104.1	158.7	1,414	181
March				103.0		1,414	181
April						1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
1979							
1st qtr.	106.0	99.3	126.9	98.9	98.4	100.1	12.9
2nd qtr.	108.7	102.9	132.8	102.7	110.1	103.0	21.3
3rd qtr.	105.7	96.0	132.1	94.9	103.8	100.1	21.0
4th qtr.	105.0	101.3	129.8	99.4	100.9	94.8	18.1
Oct.	104.0	98.0	130.0	96.0	102.0	96.0	20.5
Nov.	106.0	103.0	132.0	101.0	103.0	96.0	19.2
Dec.	105.0	103.0	128.0	101.0	98.0	92.0	14.6
1980							
Jan.	107.0	101.0	127.0	101.0	65.0	96.0	13.1
Feb.	106.0	101.0	124.0	100.0	57.0	92.0	11.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	−75	−51	+27	104.1	22.43
Dec.	131.3	131.2	−252	−229	−88	102.6	22.72
1980							
1st qtr.	131.6	126.7	−723	−573	−126	100.7	24.87
Jan.	129.9	128.3	−321	−271	−74	100.9	23.71
Feb.	136.8	129.1	−226	−176	−52	100.6	23.93
March	128.0	122.8	−176	−126	0.0	100.6	26.96

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
4th qtr.	5.1	12.6	16.2	+2,891	839	1,954	17
Nov.	6.5	13.3	19.0	+1,094	134	698	17
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 505	199	667	17
March	−2.3	9.6	25.4	− 607	200		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	239.4	239.9	295.13	69.7
1980							
1st qtr.		196.8	191.3	248.8	247.3	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March		199.4	194.0	252.2	251.1	284.47	72.6

* Not seasonally adjusted.

THE JOBS COLUMN

New urban spacemen face re-entry problem

BY MICHAEL DIXON

"UPSTARTS!," hissed a man on the telephone the other day. "People like that are bumptious enough already, without you encouraging them further."

He was on of several readers, plainly past their youth, who waxed indignant in response to the Jobs Column of five weeks ago, which conferred the title "high flyers" on people with a salary of £12,000 at the age of 30. And oddly enough, my young friend Giles reacted in much the same way, albeit for a different reason.

He considered it spurious to commend people so old for earning so little. After all, 30-year-olds on £12,000 salary are receiving only £400 annually for every year they have been alive.

Giles on the other hand is being paid £500 annually for each year of his life. His latest rise as a recently qualified chartered accountant with a large professional firm in London, has given him a salary of £11,500 at the age of 23. Moreover, he assures me that his employer is by no means the most generous salary-payer in the field.

So if the people this column referred to five weeks ago deserve the title of high flyers, then evidently a fair number of young folk in accountancy are veritable urban spacemen. But while recent experience suggests that most readers will shed no tears for them, their stratospheric situation is not without problems. Nor am I alone in thinking so — as witness the view of Andre wKerr, a recruitment consultant with Hudson Shribman International.

"True, a few of them will become partners in big professional practices with continually soaring salaries," he said. "But for the majority the question is not so much whether they'll have to come down to earth, as when and where they will land up.

"I know they may see it as unworthy to settle for the pay-levels industry and commerce can afford to offer accountants two or three years after qualifying. It's not their fault that accountancy practices find it convenient to pay them way above what people with their experience are worth to anyone else.

"But if they don't take the plunge into industry, and carry on in the profession without being earmarked for a big-firm partnership, then they'll pretty surely be brought down to earth just the same. They can't expect to sustain the same relative salary level for much longer, and by that time they'll probably not get out of the profession, because they'll be typecast as specialist audit staff.

Mr. Kerr spoke those words in a tone of not quite desperate resonableness which sounded familiar to one with children in their teens and 20s. Could it be, I wondered, that here was another condemned to trying to persuade young people to recognise reality? The answer was yes: he is searching for a young accountant to work for a company providing various services to the oil industry.

Formed as a joint venture between two large groups about 20 years ago, the company has the ethos of a U.S. multinational although, unusually, its top management consists of a wide range of nationalities. It has five operational regions: Europe, based in London; Africa, based in Paris; the Middle East, based in Dubai; the Far East, based in Singapore; and South America, based in Caracuas.

Hitherto, the company has "just growed" like Topsy and in the recent past has been spring up by 30 to 35 per cent a year. But the top management has now decided that if the projected further growth of 25 per cent a year is to be achieved, the company needs a greater degree of central control. A manager was assigned to this end some 12 months ago, and he urgently needs an assistant in London to help to complete the drawing-up of uniform rules and methods for financial control and reporting throughout the company, and for central monitoring of its various operations.

When the required procedures have been devised—probably in the autumn or early winter—the newcomer will also help to recruit four or five accountants to put the new system into force.

The reward for success in this initial task will be immediate promotion to either senior financial management or more general executive responsibility, almost certainly in one of the overseas regions, with further promotion to other centres in early prospect.

Candidates, Andrew Kerr says, should be chartered accountants who have worked with a big international accountancy practice, and have preferably become familiar with the operations of the energy industry. But they must not have stayed so long in the profession as to become fixated on auditing. Indeed, although the upper age limit is at the most 30, a couple of years outside the profession since qualifying would be an advantage.

But, as Mr. Kerr's previously quoted views foreshadowed, the starting salary will not be stratospheric—no more than £12,000 or so. There will be cost-of-living reviews in June and December, however, plus a merit review in three to four months. Moreover, the scheduled promotion next summer should lift the newcomer's income to the equivalent of around £20,000 plus big-company expatriate allowances. Provided that candidates are fluent in English and "culturally transferable" into a U.S. multinational atmosphere, whereabouts in the world they are working at present does not matter.

Inquiries to Andrew Kerr by telephone on 01-248 7851. Those preferring to mail a brief outline of their career should send it to him at College Hill Chambers, London, EC4. Since he may not name the employer, he promises to honour a request by any applicant not to be identified to the company until specific permission is given—a guarantee which has also been given by the recruitment consultant handling the next job.

Chief executive

HAVING been 70 for a good few years, the creator of a £36m turnover business mainly in vehicle bodies of lesser or greater complexity is seeking a chief executive. While the controlling shareholding is owned in America, the company is quoted on the London Stock Exchange and its main base is in northern England.

As chief executive of the group, which has about 1,700 employees, the recruit will be responsible to the business's creator as chairman and be on the main Board which includes directors of finance and of marketing, two from overseas, and two British non-executive members. Below the holding company, the group is divided into five operating subsidiaries, each with its own managing director.

The motto for the newcomer is "keep on with the growth," says Jackson Taylor, the consultant in charge of the initial selection. But one of the main tasks will be consolidation of the existing business which, like the UK motor industry in general, has not been altogether untouched by competition from abroad. The other task will be diversification, extending the existing products into new markets at home and overseas, and branching into suitable new products by acquisitions and other means.

"We need somebody who can get along equally well with merchant bankers and with the rather more down-to-earth characters of the haulage business, Mr. Jackson adds. So I think we are after either an accountant who has grown up through management in engineering, or an engineer who has become an effective commercial executive. I'd say that, to qualify, either type must be chief of a £20m-turnover operation or second in command of a bigger concern. The ideal age would be 45."

Candidates from overseas will be considered only if they have recent experience of manufacturing industry and labour relations in Britain in addition, of course, to fluent English.

The salary indicator is £36,000. Other benefits include a car, a profit share and a stock option. Inquiries to Mr. Taylor at Jackson - Taylor Executive Consultants, Carolyn House, Dingwall Road, Croydon CR9 3RS; telephone 01-680 8631, telex 8952987 JTEC G.

Because of the Bank Holiday, by the way, there will be no Jobs Column next Tuesday.

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With a small staff, you will direct the accounting, systems development, management reporting, and overall financial control of the London Merchant Bank, whose business includes, for example, Corporate Finance, Syndications, and various advisory services.

Ideally you will have some background knowledge of bank accounting (although this is not essential) and almost certainly experience outside the Profession.

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As the Company Lawyer, personal confidant and legal adviser to the President, responsibilities will cover protecting the company from litigation, handling all aspects of securities law and regulatory compliance, utilising outside counsel when required. The position involves travelling up to 50% of the time, meeting with clients. Preferably you will be aged 28-34, have read law at Oxford or Cambridge, possess outstanding communicative skills and project a first-class sales image.

Accountant

Total compensation $38,000 plus car + benefits

As Director of Accounting, you will be responsible for all the accounting functions of the Company, require a good understanding of computer utilisation and financial modelling. This position requires handling of confidential information with the utmost discretion and involves travelling up to 25% of the time.
You must be a Chartered Accountant, preferably aged 28-34, with at least five years' of responsible accounting experience, ideally in a similar environment.

Librarian

Total compensation $31,000 plus car + benefits

As Manager of the Company's professional financial library, you will establish and maintain the system for business periodicals, portfolio analysis, company records and maintain all client files, audit daily transactions and calculate management fees. Some travel is involved. Preferably you will be aged 28-34, with at least five years' experience as a professional Librarian.

Administration/ Personal Assistants

Total compensation $31,000 plus car + benefits

Three opportunities exist for professional women who combine secretarial and organisational skills with representational qualities. Each assistant shall be entrusted by the President to function independently in client relations, drawing upon their business and social judgement. The positions involve travel between 20–40% of the time in the Western U.S. Intelligence, social graces and general appearance are important qualities, as are discretion, honesty, loyalty and a caring nature. Preferred age: 28-34.

The above positions involve a minimum commitment of 4 years, a retirement at 100% of salary after 20 years' service, plus liberal holiday provisions. The Company has a no smoking rule. Our Client offers assistance in resolving immigration application processing.
If you are interested in one of these positions, please send two copies of your curriculum vitae, with two personal photographs and a brief statement relevant to your interest in residing and working in America, to W. H. Lyons, Esq.,

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Please write – in confidence – indicating how you meet the requirements stated. Dr. J. C. Viney ref. B17323.

This appointment is open to men and women.

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Although based at Rothschild's in London, the work includes considerable overseas travel. The position will probably be filled by a man or woman aged 27-40 with a background in international fixed interest management and a strong economic and currency background. Candidates may previously have worked in a similar financial institution or possibly in the Treasury Department of an international corporation in the economic or currency forecasting department of a bank or in financial journalism. Applicants must be capable of expressing themselves clearly, both in writing and at client meetings.

The remuneration package will be highly competitive

Please apply in writing giving detailed curriculum vitae to:

**Personnel Director,
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London EC4P 4DU.**

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The continuing expansion of this newspaper group based in Southern England gives rise to this new appointment.

Reporting to the Chief Executive, the successful candidate will be required to draw together the companies comprising this group of enterprises, and plan for and carry out their further profitable development; the turnover is in the 7-figure category and there are approximately 200 employees.

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THE UNIVERSITY OF SHEFFIELD

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Candidates with appropriate experience in any financial or accounting environment are invited to apply.

In the current financial year the University's expenditure is likely to exceed £27,000,000.

Full details of the post can be obtained from the Vice-Chancellor (Ref. DOF/EK), The University, Sheffield S10 2TN and enquiries on any specific aspect of the post would be welcomed.

Applications should reach the Vice-Chancellor at the above address as soon as possible and not later than 30th May 1980.

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Our client, a leading Merchant Bank, wishes to engage a Portfolio Manager.
The ideal candidate, aged around 30, with a degree or professional qualification, will have 2–3 years' fund management experience with a merchant bank, stockbroker or insurance company. A broad range of equity exposure is desirable and knowledge of Far Eastern markets, though not essential, would be useful. There is an attractive renumeration package including mortgage subsidy and an excellent non-contributory pension scheme.
Please contact PETER LATHAM

LEASING EXECUTIVE c. £15,000
Our client, a leading international bank, wished to recruit an experienced 'big ticket' leasing executive to this expanding business area. Candidates, in the age range 25–40, will ideally hold a professional or business qualification (A.C.A. or M.B.A. would be particularly welcome) and will offer relevant marketing and technical experience. Salary and benefits are those associated with a first-class international banking institution.
Please contact BRIAN GOOCH

ACCOUNTING (Bonds/Securities) c. £7,000
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Please contact KEN ANDERSON

First floor – entrance New Street
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You will supervise a small team with responsibility for the maintenance of all statutory financial records and accounts, and for the preparation of monthly, quarterly and annual accounts required by the parent company. You must be capable of identifying trends and highlighting anomalies for the attention of senior management. You will have 2-3 years' post-qualifying experience and may still be in the profession. Salary to £9,500. (Ref 140/FT).

Management Accountant

ACMA, ACCA — **Age 25-30**

You will provide a comprehensive management accounting service to divisional managers, including assistance with budgets, 5-year forecasts, and other commercial decisions. You must be capable of interpreting monthly operating results and initiating corrective action as required. You will have had some post-qualifying experience in a manufacturing environment. Salary to £9,000. (Ref 141/FT).

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(currently under review)

Applicants should have an interest in, and an understanding of, industrial and economic policy issues. An Honours Degree, though not essential, would be an advantage. Duties will include the preparation of papers on a wide range of employment issues such as training and manpower policies, industrial relations and industrial democracy. The successful candidate will also provide background information to all sections of the Party and help service the advisory committees of the National Executive Committee. Applicants must be members of the Labour Party, and a background of activity in the Party in the wider Labour movement would be of considerable advantage.

Application forms are obtainable from:

The Administrative and Personnel Officer
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FAR EAST RESEARCH
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Able individual with at least 3 yrs. relevant exp. to analyse Singapore, Hong Kong, Philippines, Kuala Lumpur and work closely with specialist salesmen as part of large International Dept. for a major Stockbroking firm.

EQUITY RESEARCH
to c. £8,000
Graduate with 2-3 yrs. UK Equity research exp. plus keen interest in Economics to join expanding management team in London office of overseas Institution.

OILS ANALYSIS
£6,000-£8,000 + bonus
Graduate with 1-3 yrs. investment research exp. and pref. knowledge of Oils to join established team and assist in coverage of International and UK companies for large well known firm of Stockbrokers.

INSTITUTIONAL SALES
£12,000-£20,000 pkg
GILTS, UK, US or EUROPE
Several of our clients, top names in stockbroking, seek high calibre individuals with good specialist knowledge, 2-5 years sales experience and the desire to join a reputable firm offering partnership prospects.

For a strictly confidential talk about these or other positions with Stockbrokers and Institutions contact Anthony Innes or Fiona Stephens.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

Seeking new employment? Threatened with redundancy?

We can help! Modern management techniques and marketing methods are part of our unrivalled job-searching system which will enable you to secure top executive, professional, technical and managerial appointments at home and overseas.

We will manage your job search skilfully, discreetly and efficiently. Our access to unadvertised vacancies and close knowledge of the employment market will help you obtain positive results quickly and at a minimum cost.

Call for a confidential meeting without obligation today—your future success may lie in our hands.

Connaught Executive Management Services Ltd., 11 Connaught Place, LONDON W2 2ET 01-258 0077

Young Chartered Accountant

Merchant Bank — *c. £9,000*

Hill Samuel & Co. Limited is one of the City's principal Accepting Houses employing some 3500 staff in the Group with subsidiaries in Australia, Channel Islands, Hong Kong, Ireland, South Africa and Switzerland, with an Internal Audit Department which encompasses all parts of the Group worldwide. In order to maintain the strength of the department, we are seeking a recently qualified Accountant, who is probably still in the Profession and who is capable of making an early contribution to the quality and effectiveness of our financial control systems. Essential qualities include the ability to deal effectively with management at all levels and to be capable of working independently in planning and carrying out operational internal auditing. Some travel to overseas parts of the Group is involved.

This is an excellent opportunity offering a view of the Group from the centre which, depending on achievement, will provide the scope for career development within other areas. Salary will be negotiable around £9000 per annum and outstanding company benefits include subsidised mortgage and luncheon facilities, non-contributory pension scheme, free life assurance and BUPA membership.

Candidates, male or female, should apply in writing with brief details of their personal history, qualifications and experience to:-

P. G. S. Coulson,
Senior Personnel Officer,
Hill Samuel & Co. Limited,
100 Wood Street,
London EC2P 2AJ.

HS

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Financial manager

Central London, c £13,000 + car

C&L

For a division of a major public group trading internationally in specific commodities.

Responsibility is to the Chief Executive for the financial management of the division.

You must be a commercially oriented qualified accountant and thoroughly experienced in financial and management accounting and secretarial practice. Verbal and written communicating skills are also important.

Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R443.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House 3 Noble Street
London EC2V 7DQ

ACA, ACMA, ACCA

c. £10,000

Central London **Age 25+**

This is an opportunity to join the Corporate Finance Department of one of Britain's largest industrial groups.

The post offers exposure to the total business operations and involvement in the corporate financial control of a major international company whose turnover exceeds £1,000m.

It will interest either a young accountant (possibly still in the profession) who will regard it as a career development opportunity; or an older accountant, aged up to 50, seeking long-term job satisfaction in the role. In either case, previous involvement in consolidation work in a substantial organisation is essential.

The basic tasks are participation in the consolidation of divisional and other subsidiary accounts, and the supporting management accounting responsibilities relating to the analysis of results and investigation of significant variations from budget. Promotion to a supervisory post is a short-term possibility.

Please write in strict confidence with full personal and career details, quoting 738/FT, to:-

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

ASSISTANT TO FINANCE MANAGER

Sussex Coast c.£8000 plus Staff Mortgage

An opportunity has arisen to join an expanding major financial institution with branches throughout Great Britain. The Alliance, one of the largest building societies in the country, requires an experienced person to assist in the management of the Society's liquid funds in the money market.

The successful applicant will also assist the Finance Manager with the production of a variety of financial reports and data.

Applicants should be numerate, capable of expressing themselves clearly and concisely and must have a thorough knowledge of the money market and particularly the fixed interest market. A knowledge of basic computer programming would be an advantage.

The salary offered will be within the range £7,280 to £9,680 p.a. and will be determined by the extent of relevant experience. It can be significantly supplemented by generous concessionary mortgage facilities and other fringe benefits include a first class Pension Scheme, subsidised medical scheme and excellent sports and social facilities.

Please write or telephone for an application form to:—
Adrian Tindley, Staff Officer, Alliance Building Society, Alliance House, Hove Park, Hove, Sussex BN3 7AZ
Telephone: Brighton 775454 Extns 62 or 63.

ALLIANCE
BUILDING SOCIETY

£25,000 PLUS

The Marketing Department of a successful City-based private financial institution is looking for an individual of outstanding quality capable of making a major contribution to the continuing expansion of an established company.

Requisite qualities are:—

— Natural sales capability.
— Ability to communicate to a wide spectrum of investors.
— Integrity and ambition.
— Sense of humour.

Experience in the Private Client Department of a stockbroking firm or a background of marketing financial products and services would be ideal.

If you consider that you possess these qualities and thrive on remuneration according to personal performance write in strict confidence with an enclosed curriculum vitae to Box A.7133, Financial Times, 10 Cannon Street, EC4P 4BY.

Assistant Chief Accountant

North West **c.£14,500 p.a.**

Our client is a major corporation in a high-technology industry engaged on a substantial expansion programme.

The work load throughout the business is therefore much increasing and this senior appointment is now to be made to share responsibility in the Finance Department, and particularly to provide management succession for the future.

Candidates, male or female, 35-45, should be qualified accountants with a broad background of financial control, budgets, and industrial costing; the experience of staff control; active involvement in the business as a whole; and who now seek to contribute to the forward development of an enterprise with acknowledged long-term growth expectations.

Relocation assistance is available where appropriate.

Apply for an application form, quoting reference P.128A, to ERP International Recruitment Limited, Clarence House, St. Werburgh Street, Chester, CH1 2DY. Telephone 0244-317886 (ansafone after 5.00 p.m.)

ERP INTERNATIONAL

Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan, Paris.

Foreign Exchange Dealer

We require a Foreign Exchange Dealer with a minimum of three years' experience in all aspects of foreign exchange and Euro-currency deposits.

As well as a competitive salary commensurate with the position, we offer fringe benefits which include House Mortgage Assistance, a subsidised restaurant, non-contributory pension scheme and free life assurance.

Please write giving full personal details to:
Mrs. E. D. Douglas,
Personnel Officer,
Kleinwort, Benson Limited,
20 Fenchurch Street,
London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Special Projects

London W.1.
c.£14,000+car.

A very successful book publishing group with a nine figure turnover seeks an accountant for a particularly demanding brief, including profit studies, investment analysis, systems introduction in new territories, performance appraisal and management audits. Base salary negotiable from £13,000, plus bonus. The vacancy arises from internal promotion.

Candidates should be qualified accountants aged say 28–35 with post qualification reporting and control experience in an efficient international group. Although reporting to the Overseas Financial Director, the post needs an unusual degree of initiative and resource. Overseas travel will be required.

For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting 7054/FT. Both men and women may apply.

John Courtis
...and Partners...

Institutional Equity Sales

We are looking for an experienced person to join the present Institutional Department in Bristol.

The firm has a well established research team specialising in small to medium size UK equities, including some sectors, and with a strong provincial bias. A vacancy therefore exists for a high calibre individual with at least 3 years institutional sales or other relevant experience preferably with a research background.

Salary will be negotiable according to experience and the position offers partnership prospects for the right person.

Please apply in writing to:-
Malcolm Robson,
Stock Beech & Co.,
The Bristol and West Building,
Broad Quay,
Bristol BS1 4DD.

Stock Beech & Co
Members of the Stock Exchange

Finance Officer

Manchester **£13,000+Car**

The G.M.E.D.C. is a private company sponsored by the County Council and District Councils in the Greater Manchester area and has been established to promote industrial development and help small firms. It has just completed the first year of its operation and now seeks a Finance Officer to help in its continued successful development.

The person appointed will be a professionally qualified accountant with specific experience in policy formulation and project appraisal. A commercial background with practical experience of working with funding institutions is being sought.

Male or female candidates should send full C.V. to Mr. L. Boardman at the address below.

Greater Manchester Economic Development Corporation Limited

Bernard House, Piccadilly Gardens Manchester M1 4DD Telephone: 061-247 3819

BOUSTEAD COMMODITIES LIMITED

This company, a subsidiary of Boustead Limited, has been formed to trade in soft commodities.

We require:

(1) A Senior and Junior Floor Trader in coffee
(2) A Senior and Junior Floor Trader in cocoa
(3) A cocoa Actuals Trader
(4) A Senior and two other Desk Traders

COMPENSATION:

Salary negotiable. Company car (except Junior Floor Traders). Bonus (according to profitability). Luncheon vouchers, pension, four weeks' holiday, BUPA, season ticket loan.

Interested, call John Bradney on 01-621 1410 or between 8 and 9 p.m. on Guildford (0483) 504268.

TWO GROWTH AREAS OF FINANCIAL OPPORTUNITY

The Marley organisation comprises some 20 companies in the UK alone, making or marketing a diverse range of products for the building industry. In addition, there are companies for transport and vehicle leasing, a chain of Homecare Superstores and Builders Merchants outlets. Plus many subsidiaries and associates overseas.

Our growth record for the 70's was impressive. Corporate turnover (over £300m in 1979) shows a compound annual growth rate of 15%; pre-tax profits 21%; per share earnings 26% and capital employed grew by 17%. Forecasts for the next decade indicate substantial investment in acquisitions and new companies.

The Head Office financial management function for all this world-wide activity is highly sophisticated as you would imagine. And it is in this area that we need more specialised help...

Financial Accountant

This Accounting position will appeal to a young ACA with broad-based accounting experience who is interested primarily in the preparation of consolidated financial accounts. This involves the determination of overall accounting policies, organising and managing information processing, developing consolidation procedures and inflation accounting (CCA) techniques.

Internal Auditors

These vacancies would suit either a young qualified accountant or someone about to qualify and who is looking to obtain a wide range of experience quickly. An essential quality is confidence to undertake special projects and accept responsibility for evaluating accounting/management controls throughout the organisation. Extensive travel in the UK and maybe overseas will be necessary.

We offer highly competitive salaries according to depth of experience plus the attractive benefits you expect in modern business practice.

Write in confidence, giving concise career details, qualifications and salaries earned to date, to:—
Deputy Head of Personnel,
Marley Tile Company Limited,
PO Box 32, Sevenoaks, Kent.

MARLEY

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Accountant

Devon, earnings c. £8,500

A light engineering company which is part of a well known group have recently restructured their organisation and need a first rate, very experienced person to lead the financial accounting function and be deputy to the chief accountant. Responsibilities will include the normal functions of payroll, financial ledgers, monthly and annual accounts, budgets and forecasts etc., most of which are computerised. Candidates should ideally be aged in their 40's qualified ACA/FCA or ACCA, very experienced in manufacturing industry and enjoy managing and leading a young team of committed people. Employment conditions are excellent and full relocation expenses will be paid to this very attractive area.

J.H.E. Davies, Ref: 37148/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
CARDIFF: 0222-40516, *2nd Floor, St. David's House, Wood Street, CF1 1ES.*

Management Accountant

Milton Keynes c.£10,000+Car+Mtge. subsidy

An excellent opportunity for an ambitious qualified accountant to assume responsibility for the development, interpretation and control of all financial and management information. Ideally you will be aged 27/32 and have experience of working within a computerised environment. You will report to the Life Administration Manager and will control a small staff.

The company, a progressive subsidiary of a major insurance group with assets in excess of £750m, offers excellent career prospects and a generous benefits package, including relocation assistance if necessary.

Contact: David G. Nevin on 01-405 3499
quoting reference DN/184/MAF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA *01-405 3499*

DG

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

LAWYER **to £14,000**

Our client is an expanding private Merchant Banking Group. The vacancy in the Corporate Finance area is for a Lawyer experienced in all aspects of corporate documentation relating to mergers, acquisitions, private placements, new issues, loans etc., in a merchant banking environment.

SENIOR CREDIT ANALYST **c. £9,000**

Our client is an International Merchant Bank. This is an opportunity for an experienced analyst, probably ranking No. 2 or 3 in a medium-sized department, to run his or her own section. Candidates should have three years' previous experience.

Contact David Grove.

CREDIT ANALYST **c. £6,000**

American bank seeks a bright ambitious young person with one-two years' experience of spreading balance sheets and experience of writing reports. Excellent prospects.

Contact Joan Menzies.

CompAir — Leaders in air power

CompAir is U.K. market leader and one of the world's largest suppliers of compressed air equipment with 23 manufacturing sites of which 9 are in the U.K. We sell 65% overseas into 120 countries. We have a highly decentralised management style but two of our Directors at CompAir headquarters now need to increase their service to operating companies. Both positions are seen as a preparation for future promotion.

Planning Executive

This role involves three main areas of work:—
Providing support in the development of strategy at company level and its subsequent co-ordination at CompAir HQ.
Carrying out special projects of a market research or planning character; and maintaining an advanced market forecasting service to major companies.
This vacancy arises through promotion and involves frequent high level contact with senior operating company executives. Reporting to the Group Planning Director, the position requires experience in market research, finance and statistics, preferably in an engineering environment.

Market Development Executive

This new position reports to the Group Marketing Director and is created to study both market sectors and territories which are not yet fully exploited. Working closely with operating companies in the U.K. and overseas, the executive will identify market opportunities and recommend options for the establishment of new distribution facilities by franchise investment, joint venture, etc. The executive will then sell the programme to operating management and steer the implementation. Widespread international travel will be required and the position requires experience in international selling.

Both of these positions need graduates, preferably MBAs under 35 with marketing experience in an international operation, ideally in engineering. Remuneration in the range £10,000 — £12,000 may be extended for candidates with exceptional experience. A car will be provided in each case. If you believe that you have Director potential write fully to M. B. Edwards, Director of Organisation Development, marking the envelope reference PCL. CompAir Limited, Brunel Way, Slough, Berkshire, SL1 1XL.

Group Finance Director-Designate

Our client is a major British international group and household name. Its pre-eminent position in the industry and presence in the Times Top 100 is the result of a sustained profit-led growth over the last decade.

The forthcoming retirement of its Chief Financial Officer has given rise to the current vacancy.

Suitable candidates, male or female, will at present be in the senior or immediate deputy financial role of a large organisation. They must already have the complete range of experience necessary for them to assume the management of our clients' financial affairs on a worldwide basis rapidly and with confidence, and to operate as an important team member of their senior management group.

Preferred age is 40-45, the location is London.

Remuneration will be of interest to those currently earning a basic salary in the region of £30,000.

Please write in complete confidence to David Thompson, who is advising on this appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Manager
Financial Planning & Control

Central London **c £11,000**

This new and challenging role carries responsibility for the Financial Management of the North African operations of a major US multinational organisation. You will provide financial and commercial reporting/planning information for both the Area General Manager based in the USA and the local country Business Managers. Occasional visits to the countries covered will be necessary.

A minimum of five years financial management and commercial experience, preferably in an international environment, is essential. An accounting qualification is a distinct advantage.

The ability to work on your own, provide accurate, useful data, and take effective business decisions in consultation with Senior Management are essential qualities; success in this role will enhance the excellent career prospects in this world-wide Group. Please telephone or write quoting Ref: RG 3547.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

BANKING APPOINTMENTS

A.D.R. DEPARTMENT MANAGER
(for Dept. of 10)
c. £8-10,000 p.a. + perks.
5 yrs. min. Securities Ops. exp. 3 yrs. min. managerial exp. Age 30/45. Reqd. by prestige international bank.

O + M OFFICER
To £8,000 + perks reqd. by prestigious merchant bank. Age 25+. Must have Financial House or Banking exp and knowl. of preparing forms and preferably, with formal O + M training. Ring for Appointments.
283 6022/6023 V.P.N. EMPLOYMENT

FINANCIAL PLANNING OFFICER
£13,365 - £15,815 p.a.

The Financial Planning Branch of the Electricity Council is responsible for the preparation of financial estimates covering the Electricity Supply Industry in England and Wales and assisting in the formulation of the Industry's financial policies. The Financial Planning Officer will be a senior member of the Branch and have particular responsibilities in connection with the development of Current Cost Accounting within the Industry. In addition the post carries a wide and interesting range of duties including co-ordination of the Industry's capital expenditure programmes, the development of computer-based financial modelling, and analysing the effect of legislation and other matters influencing financial planning of the Industry.
Applicants should be qualified accountants, preferably with a secondary qualification in either economics or business studies. Experience of the use of computer-based financial planning models or knowledge of economic theory concerning nationalised industries would be an added advantage. Applicants should have the personality and communications skill to deal with staff within the Industry up to Board level and to explain accounting matters to staff in other disciplines. A certain amount of lecturing may be involved.
Assistance with relocation expenses may be given in appropriate cases.
Please write in confidence, giving details of age, career to date and present salary quoting ref. FT-49 to:
**Duncan Ross,
Recruitment & Development Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.**

ELECTRICITY COUNCIL

Financial Controller
Up to £15,000 p.a.

A rapidly developing construction group which is centralising its international operations in London, wishes to appoint an individual to manage its financial affairs.

Candidates must have accounting and financial management experience and be accustomed to operating at/or near boardroom level and are likely to be aged between 30 and 40.

Extensive and diverse experience outside direct accounting activities and a broad view of management is essential. A period of overseas employment would be advantageous as would exposure to administrative or line management responsibilities.

The post holder will be expected to travel outside Europe visiting operating company, clients and suppliers but will be based in central London. The remuneration package will include a company car and other benefits reflecting the seniority of this post.

Interviews are expected to be held in London during mid May. Please write with brief career and personal details to:—

**W. E. Harry,
PH Recruitment Limited, Excel House,
42 Upper Berkeley Street,
LONDON W1H 7PL.**

This advertisement is featured on page 599011 of Prestel

Finance Director (Designate)

Middlesex/Suffolk **c. £13,500 + bonus, car, etc.**

International Flavours & Fragrances (GB) Ltd. is to appoint a chief accountant to succeed the retiring finance director.
The company is a major manufacturing subsidiary of IFF Inc. of America who are the leading suppliers of high quality products to the food and perfumery/toiletries industries throughout the world. The group has an impressive growth record.
The person appointed, aged 32-38, will be a qualified accountant, probably with a degree, and with at least five years' sound industrial experience involving cost analysis, management reporting, financial controls and staff supervision. The company is looking for initiative and management potential.
The remuneration package (bonus, car, free BUPA and pension, etc.) is exceptionally good; the working environment and the future prospects are both attractive.

Write for an application form, quoting reference 1996/L, to F. M. Nell, Executive Selection Division.

Peat, Marwick, Mitchell & Co.

165 QUEEN VICTORIA STREET, BLACKFRIARS, LONDON, EC4V 3PD.

EUROBOND SETTLEMENTS SUPERVISOR

Age 26-32 c. £10,000

Rapidly expanding International Bank seeks to appoint a fully experienced and very capable person to control new department. A minimum of three years' settlements experience is essential, and a knowledge of Euroclear and Cedel is a pre-requisite. Prospects are obvious, and fringe benefits outstanding.

SYSTEMS ANALYST

Age 25-33 c. £8,000

Leading International Bank requiresambitious and able person for the above position. The job involves the development of new systems and the maintenance and update of existing systems. Previous banking experience is not necessary but a minimum of one year's exposure to Cobol programming or systems analysis is essential. Full fringe benefits include 3% mortgage facility.

For more details of the above positions and the many more we are currently handling, please telephone in the strictest confidence, Mark Stevens (Assistant General Manager).

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

CHEMICAL/ FINANCIAL ANALYST
for MAJOR STOCKBROKERS

23-30 **Up to £10,000 +**

Our client, a major City firm of Stockbrokers, will shortly appoint a Chemical/Pharmaceutical Analyst. His/her responsibilities will include analysing companies within this sector; discussing with clients their investment views based on detailed research. The successful candidate would also be expected to visit companies within the industry, with the capacity to discuss ideas with management at board level.
The ideal candidate will now be working in the chemical industry and will have a financial background.
He/she will be expected to understand and interpret company reports and should be articulate, enthusiastic, with the intellectual ability to produce research material to the high standard expected by our client. The position offers a first-class career with a firm which has a leading name within the investment world. An attractive salary will be paid to the successful candidate, and the total remuneration will also include a bonus element

Please apply:
Jock Coutts
Career Plan Ltd.
Chichester House
Chichester Rents
London WC2A 1EG
Tel: 01-242 5775

Career plan
PERSONNEL CONSULTANTS

Deputy Banking Hall Manager
Birmingham

Our client, a leading merchant bank with an extensive retail banking operation throughout the UK, wishes to appoint a Deputy Manager for its Banking Hall in Birmingham.

The role of Deputy Manager combines both banking and organisational skills. Applicants, male or female, should therefore be well versed in all aspects of retail banking, especially lending, and must possess the ability to supervise staff in a busy and demanding work environment.

Excellent career prospects and a competitive salary are offered, together with the usual benefits. Please apply with full personal and career details to Position Number ASD 7725, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

Austin Knight Advertising

AK LONDON

ap Senior Appointments

FINANCIAL CONTROLLER

North West London **£10,500+car+benefits**

The UK division of a large European group specialising in the manufacture of industrial/domestic chemicals offers an extremely attractive career to a young qualified accountant with production experience. Reporting to the Financial Director, responsibilities will include all aspects of management accounting, systems development and EDP.
Commencing salary and benefits are those normally associated with a large successful company. Ref. B940.

Reply in confidence to Ian Crichton or Mark Lockett.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB · 01-588 5105

There is a vacancy for a

U.S. EQUITY INSTITUTIONAL SALES PERSON

At a major U.S. Brokerage Firm

This is an outstanding opportunity for a person of high calibre and motivation to cover major U.K. institutional accounts. Remuneration will be high.

*Write Box A.7128, Financial Times,
10 Cannon Street EC4P 4BY*

AUSTRALIAN BANK

REQUIRES

CHIEF

FOREIGN EXCHANGE DEALER

This will be a senior position and applicants should have the ability to control and motivate a progressive Deposit and Foreign Exchange activity.

SALARY IS NEGOTIABLE

Apply in writing, with curriculum vitae, to:

The Personnel Manager,
THE COMMERCIAL BANKING COMPANY OF SYDNEY, LTD.,
27/32, Old Jewry, London, EC2R 8DE.

AL ANGATE RECRUITMENT CONSULTANTS

MONEY BROKERS require L.A. dealers. £7,000-£15,000.
DEPOSITS MANAGER for Finance House. £7,500 plus bank benefits.
EUROBOND DEALER. City Bank. £12,000.
MANAGEMENT ACCOUNTS (2). Consortium Bank. £6,000-£8,000.
PROFIT & LOSS ACCOUNTS. Age 20. £5,000.
CREDIT ANALYST (Spanish speaking). £8,000.

ASK FOR DELLA FRANKLIN
01-248 6071
78, Queen Victoria Street
London, EC4

PART-TIME ACCOUNTANCY SERVICE — Required for new business West London location. Not more than 4-8 hours weekly. Small initial enterprise with first class growth potential, remuneration by way of retainer and time rate. Experienced accountant, advantageous to have knowledge of industrial sales field and/or consumer durables. Write Box A.7124, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCKBROKING VACANCIES

1. OVERSEAS SETTLEMENTS CLERK TO £7,000 + BONUS
2. SENIOR CONTRACTS CLERK TO £6,500 + BONUS
3. SENIOR OVERSEAS DIVIDENDS TO £6,250 + BONUS
4. CLIENT LEDGER CLERK TO £6,000 + BONUS
5. BEARER SETTLEMENTS CLERK TO £5,500 + BONUS
6. VALUATIONS CLERK TO £4,500 + BONUS
7. JUNIOR CONTRACTS CLERK TO £4,500 + BONUS

FOR ALL THE ABOVE VACANCIES PLEASE CONTACT LYNN BLACKLEY ON 01-623 0101
Cambridge appointments recruitment agency.

FOREIGN EXCHANGE DEALER

TO £17,000

Our client is a well established American bank which maintains a compact London office where it seeks to expand its dealing activities by appointing a fourth dealer. You'd principally deal in European currencies in which previous experience is sought. The bank seeks to appoint a really experienced trader with a minimum of 5 years' dealing experience and preferably in the age range 28 to 30 to fit in with the current team. Salary will be £10,000 to £17,000 by negotiation and benefits include low interest mortgage.

To apply call Dudley Edmunds on 01-588 3255 or write to
Alison Harding Ltd.
Banking Recruitment
56 Moorgate, London, EC2

Alison Harding Limited
BANKING RECRUITMENT UNIT

CREDIT ANALYST

London office of major European bank requires a
DEPARTMENT HEAD

Applicants should have initiative, substantial experience and be capable of training staff. Knowledge of French would be an asset. A competitive compensation package will be negotiated according to experience.

Please write confidentially with comprehensive C.V. to Box A.7134, Financial Times, 10 Cannon Street, EC4P 4BY.

**APPOINTMENTS ADVERTISING RATE
£19.50 PER SINGLE COLUMN CENTIMETRE**

هكزامن الأصل

Unit Trust Sales Manager

Fidelity International Management Limited is the new, rapidly expanding unit trust company within the international Fidelity Group of Boston — the world's largest mutual fund company, managing over $8,000 m. for 450,000 investors worldwide.

We require a sales manager, who will play a leading role in a small but dynamic marketing team. Main responsibilities will include marketing to insurance brokers nationwide and to other professional advisers in the Midlands and North. Preference will be given to men or women with proven ability in this field.

The remuneration package will include a good basic salary and generous sales bonus plus other benefits, dependent on experience. This is a unique opportunity to join the Fidelity Group at an early stage of its UK development.

Please reply promptly with full c.v. in strictest confidence to:
Richard K. Timberlake, Managing Director,
Fidelity International Management Limited,
Buckingham House, 62/63 Queen Street,
London EC4R 1AD.

Fidelity

ACCOUNTANT ESSEX

We are a UK public company with numerous subsidiaries engaged in light manufacturing. We have extensive operations covering UK and international markets. Internal promotion, coupled with expansion, has resulted in the following head office vacancy:

PRODUCTION AND COST ACCOUNTANT
C. £10,000 PLUS CAR

You will report directly to the Group Financial Director providing him with the management information on the operational performance of the numerous factories and plant within the Group. You will also be involved in special projects and financial investigations into manufacturing subsidiaries. You should be 30-45, ACMA qualified and adept in communication with all levels of staff.

Please send details to:
Mrs. B. Dunk
MYSON GROUP LIMITED
Ongar, Essex CM5 9RE

FURMANITE
International Limited

INVITES APPLICATIONS FOR THE POSITION OF

GROUP DEVELOPMENT MANAGER

The company leads the field in industrial leak sealing and associated engineering products and services throughout the U.K. and world wide.
Candidates should be between the ages of 35 and 40, university or school of business studies graduate, multilingual, with several years experience of industrial marketing at senior level, preferably in the engineering field and will be responsible for overseeing the development of the European companies and their diversification in line with group policies.
The successful applicant will be based in the Kendal area and must be prepared to travel far and frequently.
The company will offer a salary in keeping with the responsibility, company pension, life and permanent health assurance, relocation expenses, company car and profit sharing scheme.
If you have the drive and ability to fill this challenging post,

Write now in confidence to:
THE MANAGING DIRECTOR
FURMANITE INTERNATIONAL LIMITED,
DOCKRAY HALL ROAD
KENDAL
CUMBRIA LA9 4RX

Contract Accountant
£7,000 +

A. Roberts & Company Limited, a well established privately owned Group of Companies within the construction industry, is engaged on a wide variety of projects covering public works, civic, commercial, housing, industrial and othercontracts throughout the UK.

A Contract Accountant is now required whose main responsibilities will include assessment of contract profitability and analysing Bills of Quantities, and preparing graphs of job progress.

Formal qualifications are not as important as the ability to assimilate and analyse information quickly and, as the man or woman appointed will be working closely with Surveyors, a knowledge of the building industry would be particularly useful.

Salary will be negotiable as mentioned above, with an attractive range of benefits usually associated with a progressive company.

Write with details of experience to: Mr I. H. Oram, Company Secretary, A. Roberts and Co Limited, 59 Durnsford Road, Wimbledon, London SW19 8HX.

ROBERTS

THE ROYAL COLLEGE OF PSYCHIATRISTS

is expanding and developing its activities and applications are invited for the following newly created post:

FINANCIAL DIRECTOR/ DEPUTY SECRETARY

A professionally qualified person who will be responsible for the management and administration of the College's financial affairs and advising the Honorary Treasurer and other Officers and Departments of the College on all matters pertaining to finance. As Deputy Secretary the person appointed will also be involved in all the business of the College, liaise closely with the Secretary and deputise for the Secretary in her absence. Salary will be on a scale £8,853-£12,136 plus London Weighting, commencing point depending upon age, qualifications and experience.

Application forms and *further particulars may be obtained from:*
The Secretary, The Royal College of Psychiatrists.
17 Belgrave Square, London SW1X 8PG

APPOINTMENTS WANTED

BUSINESS DEVELOPMENT

Successful manager (33) seeks new challenging position. Business graduate: 10 yrs post graduate experience in industry: finance corporate planning and international marketing. Specialist in international business development including establishment of overseas distribution and manufacturing joint ventures. Third World experience, particularly S.E. Asia.

Please write Box A.7135, Financial Times, 10, Cannon Street, EC4P 4BY.

DIRECTOR AVAILABLE

Director and Chief Executive (40s) with impressive record in manufacturing and marketing products and services in UK and overseas is available to take up challenging appointment

Please reply in strict confidence to:
Box A7112, Financial Times
10 Cannon Street, EC4P 4BY.

PROFESSIONAL ENGINEER, Director large multi-national retiring seeks non-executive appointment. Write Box A.7136, Financial Times, 10, Cannon Street, EC4P 4BY.

GULF DEVELOPMENT CO LTD

The following are required for overseas projects, aged preferably under 35.

1. CHIEF ENGINEER
2. MECHANICAL ENGINEER
3. ELECTRICAL ENGINEER
4. CIVIL ENGINEER
5. INSTRUMENTS ENGINEER
6. PROCESS ENGINEER
7. PIPING ENGINEER
8. PLANNING ENGINEER
9. COMMUNICATIONS ENGINEER
10. ARCHITECT
11. QUANTITY SURVEYOR
12. CHARTERED ACCOUNTANT
13. FINANCIAL CONTROLLER
14. ECONOMIST
15. INTERNATIONAL LAWYER (COMMERCIAL)

It will be an advantage for candidates to have previous overseas experience and additional qualifications including languages. Good salaries will be paid to the right person for each category.

**Apply in confidence with curriculum vitae to
The Secretary, Gulf Development Co., Ltd.,
28 Park Lane, London W1Y 3AE**

EXPORT FINANCE SPECIALISTS

Major Multinational Bank is seeking to expand its already extensive Trade Finance business in Asia-Pacific Area. In line with these expansion plans, two positions are being established in Singapore and Hong Kong respectively. These positions involve identifying major capital goods export financing opportunities, marketing such financing to the major importers and/or exporters as well as coordinating the activities of in-country staff until the financing is successfully completed.

Given the geographic coverage and market penetration objectives, extensive travel and customer contact are necessary.

These positions require familiarity with the workings of the major government sponsored export schemes such as E.C.G.D., COFACE, HERMES, U.S. EX-IM, etc.

Successful candidates will possess:
- Extensive experience with the classical international finance products offered by commercial banks.
- Knowledge of merchant banking activities.
- The ability to work independently in various Asian markets.

Please send resume detailing experience, salary requirements, etc. to G.P.O. Box 8387 Hong Kong.

BOND DRAWING

DRAWING

At a drawing made on 17th April, 1980 in the presence of a Notary Public in London, Bonds of:

State of San Paulo Coffee Institute 7½% Sterling Bonds—Plan 'A' totalling £22,900 were drawn for redemption as at 1st July, 1980.

Lists of bonds drawn can be obtained at Lazard Brothers & Co. Ltd., 21, Moorfields, London EC2P 2HT.

Bonds presented for redemption shall be accompanied by interest coupons Number 109 to 119 otherwise an amount equivalent to the missing coupons will be withheld. The Holder of a bond which has been drawn will receive a redemption price of £102 per cent.

Any of the drawn bonds held on behalf of residents in the United Kingdom should be lodged between the hours of 11 a.m. and 2 p.m. (Saturdays excepted) for payment through an Authorised Depositary in London with Lazard Brothers & Co. Ltd., 21, Moorfields, London EC2P 2HT, from whom listing forms may be obtained.

Bonds cannot be accepted through the post.

COMPANY NOTICES

O.K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that final dividend No. 97, at the rate of 52 cents per share in respect of the financial year which commenced on 1 April 1979, has this day been declared payable on 4 July 1980, in the currency of the Republic of South Africa to all holders of Ordinary shares registered in the books of the Company at the close of business on 23 May 1980. Non-resident shareholders' tax of 15% will be deducted where applicable.

The Registers of Members will be closed in Johannesburg and London from 24 May to 1 June 1980, both days inclusive, for the purpose of the above dividend.

By Order of the Board
J. B. PARNALL,
Secretary.

Registered Office: O.K. Building, 80 Eloff Street, Johannesburg, 2001.
London Registrars: Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.
29 April 1980.

**UDDEVALLAVARVET AB
7¼% GUARANTEED NOTES 1983**

S. G. WARBURG & CO. LTD., announce that the sixth instalment of Bonds for a nominal value of U.S.$2,300,000 have been purchased for the redemption due on 1st June, 1980.

U.S.$16,200,000 nominal bonds will remain outstanding after 1st June, 1980.

30, Gresham Street,
London EC2P 2EB. 1st May, 1980.

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

CANADIAN PACIFIC LIMITED PERPETUAL 4% CONSOLIDATED DEBENTURE STOCK
NEW BRUNSWICK RAILWAY 4% DEBENTURE STOCK
CALGARY & EDMONTON RAILWAY 4% DEBENTURE STOCK

In preparation for the payment of the half-yearly interest due July 1, 1980, on the above Stocks, the transfer books will be closed at 3.30 p.m. on June 2, 1980, and will be re-opened on July 2, 1980.

W. E. REEVE,
Deputy Secretary.
50, Finsbury Square,
London EC2A 1DD.
May 1, 1980.

EDUCATIONAL

LAW DEGREE OR M.B.A.

Through Independent Correspondent Study
Qualify to become an Attorney in the U.S.
Write: Southland University,
88 N, Catalina, Dept. C-2,
Pasadena, CA 91106,
or phone 213-795 5558.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W1. NEW STRIPTEASE FLOORSHOW "CLOSE ENCOUNTERS" 11-2.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

Life Insurance Accountant
with a strong taxation bias

This is an important new appointment with TSB Trust Company, a major subsidiary of the TSB Group and one of the country's most progressive, and fastest growing companies in the field of insurance and unit trust management.

It carries responsibility, under the Assistant Financial Accountant, for co-ordinating the preparation and production of monthly financial accounts for the Company's life insurance business, assisting in the development and enhancement of the accounting systems and supervision of a team of five engaged on bought ledger and management expenses analysis.

A major task will be the calculation of corporation, capital gains and value added tax liabilities on a monthly and annual basis.

Applicants, men or women should be qualified ACA or ACCA with at least five years' financial accounting experience. An essential requirement is experience of tax computation and the negotiation of tax liabilities with either local Tax Inspectors or Customs and Excise Authorities.

An attractive salary will be offered (review due in May) together with generous mortgage subsidy scheme, non-contributory pension and, where appropriate, assistance with relocation.

For an application form please contact Dorothy Carvell, Recruitment and Administration Manager, TSB Trust Company, Keens House, Andover, Hants. SP10 1PG. Telephone: Andover (0264) 62188. Ext 347.

TSB Trust Company Limited
A subsidiary of the TSB Central Board

BANKER

A growing multinational merchant bank, headquartered in London, requires a person with broad experience in both country/corporate lending and investment banking project areas to service existing clients and develop new contacts in Southern Europe and Latin America. Familiarity with the marketing and legal distinctions in these areas and fluency in French, Spanish and English required. The ability to meet growth targets in all financial products as well as managing an existing term loan portfolio of $150 million is essential. If you fulfil these qualifications and have at least 15 years' relevant mixed commercial/merchant banking experience, including credit evaluation, the selling of a comprehensive range of financial products and client services, we would like to hear from you. Salary c. £20-25,000 pa, with usual fringe benefits. Please write in strictest confidence, enclosing curriculum vitae, to Box A7131, Financial Times, 10 Cannon Street, EC4P 4BY.

RH

DEPUTY CONTROLLER
C.London *to £10,000 + Car*

A UK quoted group with interests in the consumer goods and leisure industries seeks an understudy to its Group Financial Controller. Initial responsibilities will combine a wide range of one-off assignments with involvement in financial accounts, management reports and legal and administrative matters. The successful applicant will be a qualified accountant with a mature approach and the willingness to work for ultimate promotion to Controllership.

COMPANY ACCOUNTANT
Sussex **£10,000 + Bens.**

Ideal for a qualified accountant, not less than 25, seeking wider responsibility, this appointment with a small, progressive company in the service sector offers scope and involvement. Whilst supervising an accounts department including all accounting controls, improving systems where necessary and preparing accounts you would also be in close contact with clients and suppliers. Benefits comprise regular bonus payments and generous expense allowances which take in free petrol.

LINE PROSPECTS
C.London **£8,500 + Car**

This household name group seeks an ambitious young qualified accountant. The position has arisen due to promotion of the present incumbent within 12 months to a line appointment. Your initial role will be to join a small professional team making reviews of the operating units. There will be some travel within the Home Counties but not requiring many overnight stays. Relocation paid.

CAREER POSITION
C.London **£9,000 + Bens.**

A leading oil company wishes to appoint a newly qualified ACA to handle the day-to-day running of its accounts department. The successful person will be responsible to the Financial Controller and will be working in a small and friendly accounts office which is fully equipped with computerised systems. There are prospects of staff control as the department expands and the excellent salary package includes a non-contributory pension scheme.

LINE PROSPECTS
Surrey **£9,000**

If you have EDP experience and are prepared to do some travelling to UK and European locations, this position offers promotional prospects in New York. Your initial duties include systems, operational and computer audits, working in conjunction with the external auditors in Europe. You will be required to act both alone and as a member of a team.

Lee House, London Wall, London EC2Y 5AS. Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

FINANCIAL SECRETARY/ACCOUNTANT

Kensington-based national charity managing nursing/residential homes seeks a financial secretary/accountant to administer its substantial finances, and advise on overall budgetary control, responding to the Chief Executive Officer.

Candidates should have a good educational background and the ability to motivate staff, preferably a numerate degree or accountancy qualification and be under 55 years of age. Starting salary negotiable, in excess of £7,500 a year, plus non-contributory pension. Apply in writing with curriculum vitae to:

**The Personnel Officer, Distressed Gentlefolk's Aid Association
Vicarage Gate House, Vicarage Gate, London W8 4AQ**

CONTRACTS AND TENDERS

PAPUA NEW GUINEA ELECTRICITY COMMISSION

KAUGEL NO. 1 HYDROELECTRIC PROJECT
PREQUALIFICATION FOR ACCESS ROADS TENDERS

Interested contracting firms are invited to submit application for inclusion on the list of prospective tenderers for construction of access roads at Kaugel No. 1 Hydroelectric Project.

The works consist of 32 kilometres of new roads together with ancillary drainage and the construction of four bridges. The quantities of major items include 2 million cubic metres of excavation in materials ranging from volcanic ash to limestone; 108,000 cubic metres of road pavement material and 190 metres of single and multi-span bridges.

Participation in the prequalification is open, subject to international finance agency acceptance, to tenderers from any country. A course of funds is currently being pursued. Applications must be submitted on official forms which are obtainable, together with the P.Q. brochure, from the office of the Commission.

Papua New Guinea Electricity Commission
P.O. Box 1105, Boroko, P.N.G.
Telephone: NE 22121. Telex: 23883
Attention Chief Engineer, Design and Contracts

Submission of applications closes on 3rd June, 1980.

ETHIOPA
INTERNATIONAL TENDER
FOR THE PURCHASE OF SUPPLEMENTAL TRAINING EQUIPMENT

INVITATION No. T-09/72

The Provisional Military Government of Socialist Ethiopia, Ethiopian Roads Authority, announces the release of an international tender for the purchase of Supplemental Training Equipment.

The purchase of this equipment is financed by the International Development Association and bids are solicited from member countries of the IDA. Interested and qualifying bidders are advised to collect bid documents from our Procurement Office Room No. 106 during working hours upon payment of 10.00 birr per set.

Bids will be opened in public in the Conference Room 4th floor of the Ethiopian Roads Authority headquarters building on June 10, 1980 at 10.00 hours Addis Ababa time.

The Authority reserves the right to reject any or all bids that are not in conformity with all conditions and specifications mentioned in the tender.

Ethiopian Roads Authority

SYRIAN ARAB REPUBLIC

Committee for the Completion of the Teshreen University Buildings Project
Lattakia, Baghdad St.,
Engineers Order Bldg. 3rd Fl.
No. 1523

NOTICE

CALL FOR TENDERS "LOCAL AND FOREIGN" OR
The Teshreen University Hospital and its Medical Research Centre

Our Notice No. 1486, dated 1.4.1980, concerning the invitation for price offers (LOCAL AND FOREIGN) for the construction and equipping of the Teshreen University Hospital and its Medical Research Centre, both ready for exploitation as a "TURN KEY PROJECT." The above mentioned Notice is to be corrected as to make the latest date for submitting offers Thursday the 10th JULY, 1980.

Dated at Lattakia on the 14th April, 1980.

Authorized Member
Committee for the Completion of the Teshreen University BLDGS. PROJECT
For the MOHAFEZ (Governor) of Lattakia
Mouneer HAREEKHAN

PUBLIC NOTICES

LONDON METAL EXCHANGE WARRANT
Please be advised that Warrant No. 243992 — 24 drums Nickel Briquettes. Weight 6180 kilos gross, stored in Rotterdam, has been replaced and the above Warrant should be considered null and void.

C. STEINWEG N.V.

LEGAL NOTICES

IN THE MATTER OF ADLON ERECTORS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 16th day of May, 1980, to send in their full christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Richard Eaglesfield Floyd, Chartered Accountant, of 33 Clifford's Inn, Fetter Lane, London EC4A 1AH, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 25th day of April 1980.
R. E. FLOYD, Liquidator.

TRAVEL

GENEVA, Basle, Zurich and Berne, widest choice of cheap flights from 4 U.K. airports. Brochure. FALCON 01-351 2191.

BOND DRAWINGS

REPUBLIC OF PORTUGAL 5¾% DOLLAR BONDS 1979/84

Notice is hereby given that, in accordance with the terms of the General Bond, 1,333 Bonds of $1,000.00 nominal have been drawn for repayment at par on the 1st June 1980 in full settlement of the instalment of the Sinking Fund due 1st June 1980.

From that date interest on the bonds drawn will cease to accrue and the definitive numbers of the bonds concerned are as follows:—

Bonds of $1,000

00001	01386	03243	05742	07269	09008	11366	12723	15484	16300	18708
00008	01399	03262	05751	07285	09015	11369	12758	15488	16305	18736
00016	01402	03269	05757	07291	09023	11385	12765	15491	16361	18763
00025	01407	03295	05795	07298	09032	11426	14363	15507	16364	18772
00032	01414	03313	05804	07302	09039	11439	14369	15509	16371	18793
00037	01418	03325	05858	07317	09046	11448	14375	15513	16376	18806
00046	01422	03330	05864	07328	09053	11451	14381	15516	16382	18821
00061	01435	03345	05874	07336	09066	11458	14387	15526	16392	18831
00069	01443	03350	05885	07341	09075	11499	14391	15532	16397	18835
00082	01445	03397	05917	07352	09082	11524	14400	15542	16438	18846
00089	01449	03404	05919	07369	09095	11555	14407	15545	16444	18854
00093	01502	03409	05924	07397	09103	11565	14415	15549	16449	18870
00096	01514	03442	05939	07426	09203	11569	14420	15553	16455	18879
00125	01518	03457	05945	07449	09219	11586	14425	15559	16565	18889
00130	01530	03486	05948	07459	09266	11592	14437	15564	16568	18899
00134	01553	03495	05963	07467	09279	11594	14443	15568	16575	18920
00137	01557	03540	06130	07474	09295	11601	14455	15573	16669	18931
00146	01565	03559	06171	07483	09308	11605	14465	15577	16674	18941
00151	01569	03565	06179	07502	09337	11609	14479	15584	16681	18946
00160	01576	03618	06205	07523	09355	11631	14486	15589	16686	18955
00172	01581	03655	06215	07539	09362	11636	14491	15595	16690	18979
00188	01588	03669	06224	07559	09366	11648	14561	15601	16695	18991
00202	01591	03678	06232	07571	09376	11664	14564	15609	16701	18998
00209	01595	03703	06238	07614	09407	11682	14573	15619	16712	19013
00240	01604	03736	06244	07620	09427	11725	14586	15624	16718	19019
00242	01610	03752	06250	07636	09433	11729	14593	15629	16721	19021
00254	01617	03771	06254	07655	09451	11745	14603	15632	16750	19022
00296	01626	03777	06260	07697	09461	11775	14614	15639	16754	19023
00303	01700	03808	06268	07713	09482	11783	14625	15646	16764	19024
00308	01742	03818	06288	07734	09491	11793	14630	15656	16767	19025
00311	01755	03824	06292	07750	09501	11800	14636	15660	16770	19046
00315	01758	03835	06303	07761	09515	11811	14652	15664	16774	19054
00343	01763	03865	06314	07766	09523	11861	14655	15667	16779	19060
00345	01767	03870	06324	07819	09533	11947	14661	15674	16782	19072
00354	01778	03891	06329	07825	09552	11972	14667	15677	16786	19089
00371	01802	03894	06336	07835	09581	12005	14673	15687	16789	19098
00373	01806	03911	06343	07842	09717	12007	14682	15694	16799	19108
00376	01820	03924	06354	07848	09798	12018	14690	15700	16804	19149
00385	01829	03933	06359	07851	09825	12027	14694	15707	16809	19153
00402	01834	03950	06369	07855	09847	12034	14703	15720	16818	19176
00409	01840	03966	06374	07865	09854	12036	14710	15725	16822	19187
00414	01859	03983	06378	07873	09875	12040	14720	15731	16827	19191
00424	01864	04057	06400	07882	09888	12044	14733	15740	16837	19202
00428	01900	04091	06403	07890	09942	12048	14738	15748	16844	19212
00442	01933	04098	06410	07921	09968	12056	14745	15756	16847	19226
00446	01979	04109	06415	07927	09978	12063	14754	15764	16853	19235
00455	02001	04126	06421	07946	09984	12078	14767	15772	16862	19252
00461	02019	04128	06432	07954	10000	12093	14778	15782	16875	19255
00469	02058	04163	06440	07963	10007	12101	14784	15788	16881	19258
00474	02062	04175	06447	07967	10015	12106	14797	15805	16886	19263
00477	02077	04208	06454	07978	10021	12111	14805	15811	16891	19265
00499	02085	04218	06458	07986	10026	12119	14818	15826	16895	19280
00505	02097	04244	06461	07995	10032	12122	14826	15840	16905	19287
00508	02103	04254	06465	08005	10037	12131	14837	15847	16913	19299
00516	02106	04265	06468	08026	10042	12148	14852	15857	16919	19304
00528	02180	04276	06475	08030	10053	12154	14862	15868	16927	19323
00557	02199	04364	06479	08045	10103	12169	14879	15879	16941	19330
00574	02217	04378	06491	08058	10129	12174	14886	15887	16950	19340
00590	02225	04390	06516	08073	10173	12181	14897	15892	16976	19346
00594	02265	04402	06529	08083	10178	12193	14905	15903	16982	19353
00602	02289	04410	06533	08097	10226	12198	14917	15906	16990	19366
00607	02306	04455	06546	08104	10228	12205	14927	15914	16996	19373
00614	02383	04463	06557	08109	10230	12211	14932	15919	17781	19379
00618	02387	04470	06611	08120	10245	12222	14935	15922	17790	19389
00629	02396	04482	06615	08135	10251	12225	14940	15925	17793	19396
00634	02400	04491	06618	08146	10258	12231	14946	15932	17802	19402
00643	02407	04499	06631	08157	10266	12241	14952	15967	17808	19417
00649	02415	04513	06643	08172	10270	12244	14959	15974	17813	19428
00657	02429	04519	06651	08177	10298	12269	14969	15979	17873	19440
00660	02439	04579	06659	08182	10369	12284	14980	15985	17891	19455
00663	02489	04599	06665	08190	10410	12295	14984	15988	17938	19466
00667	02502	04618	06669	08199	10417	12302	14989	15995	18056	19472
00669	02535	04636	06673	08208	10423	12321	14997	16000	18061	19480
00679	02548	04665	06688	08217	10431	12328	15131	16004	18065	19491
00682	02550	04677	06702	08235	10455	12334	15142	16007	18074	19500
00691	02556	04800	06704	08242	10460	12341	15146	16011	18078	19506
00703	02562	04864	06722	08253	10473	12343	15154	16016	18083	19513
00721	02570	04911	06729	08261	10476	12351	15169	16020	18093	19525
00745	02589	04919	06736	08268	10489	12360	15176	16026	18102	19534
00747	02608	05142	06741	08294	10494	12369	15184	16030	18111	19555
00752	02617	05176	06745	08302	10499	12374	15190	16034	18126	19570
00759	02626	05189	06751	08307	10503	12377	15196	16041	18135	19579
00774	02630	05214	06772	08317	10511	12384	15200	16055	18149	19585
00780	02641	05227	06775	08347	10522	12386	15205	16060	18158	19595
00783	02655	05237	06778	08353	10530	12388	15219	16062	18165	19624
00789	02663	05249	06782	08373	10555	12395	15223	16072	18172	19633
00793	02667	05271	06787	08378	10562	12401	15232	16078	18182	19639
00797	02681	05280	06798	08397	10566	12404	15251	16081	18187	19652
00803	02687	05288	06820	08447	10573	12407	15257	16086	18191	19676
00808	02698	05297	06832	08487	10612	12419	15268	16091	18210	19685
00812	02704	05303	06836	08511	10621	12423	15273	16096	18225	19701
00819	02730	05323	06839	08519	10660	12431	15282	16100	18239	19711
00830	02737	05330	06843	08525	10665	12434	15289	16105	18296	19780
00834	02822	05335	06853	08561	10681	12451	15294	16111	18302	19800
00838	02828	05342	06859	08580	10700	12454	15305	16117	18311	19813
00858	02837	05352	06864	08586	10705	12459	15311	16120	18318	19837
00868	02846	05358	06871	08632	10708	12461	15323	16126	18325	19848
00881	02853	05368	06884	08637	10759	12467	15334	16130	18331	19855
00891	02862	05375	06887	08648	10766	12471	15340	16140	18337	19864
00896	02901	05379	06895	08657	10774	12473	15346	16145	18384	19866
00899	02941	05385	06907	08670	10794	12497	15356	16153	18390	19909
01118	02963	05391	06913	08679	10830	12505	15364	16160	18393	19914
01131	02978	05396	06916	08685	10833	12522	15370	16167	18396	19928
01159	02984	05426	06927	08699	10840	12525	15375	16171	18400	19945
01176	02994	05439	06930	08704	10869	12529	15378	16181	18426	19951
01179	03011	05479	06937	08720	10888	12541	15383	16189	18431	19956
01186	03019	05485	06976	08725	10897	12556	15389	16191	18453	19962
01206	03023	05543	06981	08731	10971	12566	15394	16197	18462	19967
01211	03031	05553	06984	08739	10989	12569	15397	16205	18473	19971
01219	03050	05575	06989	08743	11004	12574	15402	16209	18484	19979
01221	03076	05605	07051	08769	11045	12578	15412	16211	18492	19983
01227	03116	05627	07076	08782	11056	12592	15416	16218	18498	19991
01234	03119	05636	07082	08821	11155	12615	15419	16223	18505	19997
01238	03124	05639	07093	08826	11172	12620	15424	16232	18513	
01252	03131	05642	07106	08906	11215	12630	15429	16240	18533	
01270	03137	05647	07133	08926	11242	12637	15434	16245	18549	
01312	03158	05651	07140	08936	11256	12644	15440	16249	18558	
01322	03167	05660	07148	08947	11284	12652	15444	16258	18638	
01334	03204	05695	07156	08955	11292	12671	15449	16269	18656	
01337	03218	05710	07164	08972	11311	12676	15458	16285	18670	
01362	03230	05714	07206	08977	11318	12715	15462	16289	18679	
01380	03238	05735	07248	08987	11347	12719	15469	16295	18692	

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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

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How Lever wrote its own business legend

ONE OF THE unsung heroes of the industrial scene stepped warily into the limelight in London this week. He did not stay long. He was courteous and affable and then wthdrew—back to the Kingston fastness of Lever House. As chairman of Lever Brothers, the Unilever subsidiary, for the past six years, Len Hardy has a record as a business fighter that would make an old-time pugilist buckle and reel. An accountant by profession, he joined Unilever in 1959, and Lever two years later.

Mild and bookish by appearance, this accountant-turned-salesman climbed swiftly. Within three years of joining Lever, he was the sales director—within another five, the marketing supremo. Five years after that, he took the helm.

He has a streak of such competitiveness that he has driven Lever into a position of clear dominance in an industry—*soaps and detergents—where* the fighting is so intense, the pressures so precise, that the margin for error, or for failure of nerve, is virtually non-existent.

It is a market of nearly 800,000 tons worth approximately £400m at RSP in which the three main protagonists—Lever, Procter & Gamble, and Colgate-Palmolive—supply over 75 per cent. At the very heart of the fight is the bare-knuckled rivalry between Lever and P&G.

For years, the name Procter & Gamble has been virtually synonymous with marketing

The margin for error, or for failure of nerve, is virtually non-existent

success. Its technological efficiency and business systems, its commitment, clout and sales prowess, have won for it almost despotic success, not only in the U.S. but in virtually every foreign market in which it competes.

But not in Britain; at least *not any more. The crux of* Lever's current performance is not so much that it has fought its way to dominance in one of the toughest markets there is, but that in the process it has administered a thrashing to Procter.

According to one business analyst: "It sounds like heresy, but Lever's has not only out-manoeuvred P & G; more astonishingly, it has virtually out-marketed it. It has taken Procter's on at its own deadly game, and beaten it. It is difficult to say how long this supremacy will last. P & G has to retaliate. It is too large, too good, and has lost too much face, but in a country like Britain that is short of business legends, nothing can detract from what Lever's has achieved."

This week's brief public appearance by the Lever chairman was a breakthrough for an industry that is congenitally shy.

"True, the companies haven't sought publicity," said Mr. Hardy. "But the fact that all three main companies—P & G, Colgate-Palmolive and Lever—are subsidiaries of multinationals has also tended to shield them from normal analysis."

Lack of conspicuousness could have its advantages, but Lever was ready to stand and be counted.

In a total market worth £403m, the biggest sectors are washing powders (£199m, of which low-suds powders account for £75m), dishwashing products (£70m), toilet and hard soaps (£50m), fabric conditioners (£29m), and bleaches and lavatory cleaners (£28m).

The industry comprises more than 50 companies, of whom five dominate. Apart from the big three, there is Albright & Wilson, the main producer *of own-label brands, and Cussons,* best known for Imperial Leather.

P&G markets 14 brands at present, Colgate nine, Lever 26. Lever itself is probably the largest soap and detergents company in any single European country.

Overall, the total market is virtually static. Between 1973 and 1979 total market volume grew by an average of around 2 per cent per annum, while the retail value of the market barely kept pace with inflation.

On the other hand, significant market growth has occurred in three key sectors, and it is in these that Lever has made its most profitable headway. They are low-suds powders, designed for use in front-loading automatic washing machines, where volume sales have risen by more *than 400 per cent to 134,000 tons* since 1973; fabric conditioners, now used in 50 per cent of UK households (71,000 tons), and liquid scourers, where sales have nearly doubled in the past four years.

The competitiveness of the industry shows up most graphically not in the battle for total tonnage, although that is crucial to brand power and profit, but on the retail price front.

Over the past 13 years, the three majors have introduced 18

Len Hardy, chairman of Lever Brothers: 'Leadership based on minute attention to detail, ceaseless pursuit of improved performance, perfectionism, and impossible stamina.'

successful new brands to meet changing marketplace needs. But because of the struggle for dominance, the housewife pays less today for soaps and detergents than she did in 1973.

"The indusrty has in the past been criticised for extravagant advertising and promotion," said Mr. Hardy this week. "To many we are still the provider of plastic daffodils, although we gave the last one away in 1963. The fact is that the average price of detergents has risen far less rapidly than the general rate of inflation, and far less rapidly than the food index. A packet of washing powder which cost 20p in 1973 still only cost, in real terms, 19p in 1979, despite the fact tha tmost of the faw materials are derived from oil."

The pressure on profit margins is such, says Lever, that if the average weekly household expenditure on soaps and detergents—an estimated 38p—is broken down in terms of a typical Lever product, the indicated pre-tax net profit to the manufacturer is 1.5p—equivalent to a net margin, before tax, of 5.3 per cent of sales turnover.

To remain profitable (Lever's profits exceed the Unilever divisional average) in the face of increasing raw materials costs which it can neither control nor fully recover, Lever *has boosted output-per-employee* in the past five years by 46 per cent, as well as spending more than £20m on its factories in Warrington and Port Sunlight.

Lever's own sales last year exceeded £200m. Production, including exports and output for associated UK companies, was more than 500,000 tons. Volume sales in the UK rose

We gave the last plastic daffodils away in 1963'

by a record 11 per cent, and Lever stretched its overall market share in soaps and detergents to an estimated 42 per cent, against 30 per cent *for P and G, 6 for Colgate* and 13 for own-label. (These figures, based on independent market research work as well as Lever estimates, are drawn from an internal Lever review.)

At the end of last year, it held market leadership in five out of seven market categories. In total washing powders, it had an estimated 52 per cent of sales against P and G's 40, while in the low suds area, it held 62 per cent to Proctor's 30.

In fabric conditioners it held 46 per cent in 1979, or twice the share of P and G. In toilet and hard soaps, the launch of *Pink Shield took it to 30.3 per cent of a highly fragmented* market, against 15 for P and G *and 14 for Colgate. In scourers* it held 47 per cent of a changing market, with liquid scourers gradually replacing the older powder products. And in liquid bleaches and lavatory cleaners, Lever's Domestos, a highly profitable brand, continued to dominate a market in which Lever pushed up its share to 47 per cent.

In contrast, it lags well behind P and G is dishwashing liquids, where it has only 18 per cent to its rival's 32, and in the general purpose household cleaning sector.

Much of Lever's current dynamicism is attributable to its performance on the new products front. Today, 58 per cent of Lever turnover comes from brands introduced in the past 13 years.

Its most famous success is Persil Automatic, the star performer in the £75m low-suds market. Lever was quick to spot the potential growth in sales of automatic washing machines, so quick, in fact, that it left Procter trailing. Persil Automatic was launched in 1968, under the brand umbrella of Persil itself, which dates from 1909. Lever is generally very wary of umbrella brands, but the venture has paid handsomely.

By 1973, when P and G replied with Bold, Persil Automatic was selling 24,000 tons. Last year it sold 100,000 tons. The result of this fast footwork is that Persil Automatic now has around 22 per cent of total washing powder sales. Persil itself still has 14 per cent or so, Bold about 10 per cent.

Another important feather in the Lever cap is Comfort, its fabric conditioner, which it launched nationally in 1969. This gave it a five-year start on *P & G's Lenor. Sales of* conditioners this year could be worth £40m.

Put most strikingly, Lever's clear objective is to be market leader in all existing and new growth sectors. Its research and development work are meticulous in the extreme, and once identified, new product opportunities are pursued with a fanatical determination and belligerency in marketing that *belie the Lever pedigree.*

Its origins are paternalistic, so that there is something almost schizophrenic in the way it pounds after tonnage and seeks to stomp the opposition.

"We want big brands, and big brands only," says Len Hardy. "In a market like ou'r, where margins can be perillous and there are relatively high fived costs, volume is the key to productivity and efficiency. *It is very difficult to secure real* technological breakthroughs, so higher margin have to come from volume and thus economies of scale."

The management tiers at Lever are very skilfully blended. At the hub is the marketing operation. According to marketing director Andrew Seth: "In markets that are generally static, we have successfully challenged the notion that you cannot expand via marketing growth; in markets that are expanding, we have got in fast with very strong brands and sold aggressively.

"In terms of market share, it is essential that we keep a firm grip on powders, which account for roughly half our volume and approximately half our profit. By the end of the 1960s, thanks partly to the brilliant launch of Ariel, Procter was leading us by 52 per cent to 45. We had to shake up our business."

Lever sees its price/volume relationships as absolutely critical. It puts a thumb-screw to its prices and seeks its profit out of increased share. The measurement and control of costs is a traditional area of P&G superiority, but Lever claims it has achieved equality.

"Particularly in thet growth markets," says Mr. Seth, "we are selling utterly cost-effective formulations in utterly cost-effective packs. Senior marketing management probably *spends 25 per cent of its time* on product formulation, packaging and cost control. Our attitude to cost is as abrasive whether we're buying advertising services or phosphate from Morocco."

In real money terms, Lever and its competitors spend much less on adevtrising than formerely — just over £18m in current money last year, according to MEAL, against £14.6m in 1973.

It is Lever's great fortune to have had as successive chairmen a strategist followed by a salesman

The pride and drive at Lever stem directly from the chairman. Norman Straus, formerly Lever's advertising manager and now a special adviser to the Prime Minister in the No. 10 Policy Unit, says Lever has the most sophisticated, most market-orientated team of managers in the business.

"Len Hardy's leadership is based on minute attention to detail, a total commitment to do better, ceaseless pursuit of improved performance, perfectionism, dedication and impossible stamina.

"The groundwork was laid down 10 years ago by Tony Hill, then Lever's chairman and now *a director of Unilever. He* established a classic corporate plan and instilled a great sense of teamwork. He created a machine which Hardy has tuned to perfection.

"It is Lever's considerable fortune to have had as successive chairmen a strategist followed by a salesman. Against P and G, Lever has shown how to beat one of the best companies in the world."

In Britain, some observers say, P & G has got stuck in a rule book that Lever has rendered out of date, particularly in terms of brand positioning.

But the 1980's will be hard, for Lever as for others. Its hope *must be that when* times improve, its volume-building crusade of the past ten years *will not have ben jeopardised* —that it can capitalise on the opportunities of a return to growth.

Because it is part of Unilever, it cannot readily pursue P & G and Colgate into associated markets like personal toiletries. "On the other hand," says Len Hardy, "20 years ago, many people in the business thought the scope for growth was strictly limited, and yet in the past ten years we have introduced nine major brands which today account for 60 per cent of Lever sales. There is a great deal more that we can do."

LOMBARD

Looking at the big picture

BY HUGH O'SHAUGHNESSY

"I DIDN'T like it at all. In fact I thought it was a disgrace and I wrote a complaint to Washington about it." I must confess that I sat back a moment and purred over my Guinness as my friend from the State Department gave me his views. I had read the World Bank's report on Chile with its enthusiastic references to General Pinochet and I'd been upset.

There was this great financial institution, whose staff was sprinkled with civilised Oxford men of about my year who were prepared on occasion to share the pleasures of the table with me, putting out a document like this. What had got into them to make statements like, "Under extraordinarily unfavourable circumstances the Chilean authorities have engineered an economic turnaround without precedent in the history of Chile?" Had they no appreciation of what we might modestly call the "social cost" of the present Chilean process?

Accurate

A pillar of my world had wobbled. I tut-tutted over it with my decent democratic Chilean friends and with Swedes of my acquaintance. We decided it was a bad thing. We knew it was a bad thing. We knew it couldn't do the World Bank any good.

But I didn't expect—none of us expected—to find an ally within the very State Department. And one who said he'd actually done something about it. Could it be that the World Bank would be persuaded to pause before issuing another apologia for the sort of iron fist regime headed by the Chilean general? Would the next World Bank report be a little more historically accurate when it ventured into 19th century Latin American history?

Was there now some hope that the Bank be persuaded to terminate its surprising flirtation with military absolutism and be tempted back to the broad path of Western democratic values?

Now the answers to these questions are not settled. My State Department friend was a senior man—but he wasn't the Secretary of State, present or just resigned. Perhaps the World Bank *is* really changing direction and turning its back on democratic processes

Perhaps the current fight between the International Monetary Fund and Jamaica over yet more austerity and yet more spending cuts and unemployment in the public sector is all part of the present monetary apotheosis of Professor Friedman.

If the World Bank's enthusiastic backing for General Pinochet *is* indeed all of a piece with the IMF's treatment of Jamaica and Prime Minister Michael Manley then I would submit that those international institutions are *making* a strategic blunder in their dealings with the Third World at a highly inopportune moment for the West.

In the space of a few months the leaders of the democratic industrialised countries have been given a number of extremely important advantages as a result of mistakes made by governments of Marxist-Leninist persuasion. The Soviets' invasion of Afghanistan, for instance.

In the Caribbean the spectacle of 10,000 people crowding into the Peruvian embassy in Havana and committing their lives to small boats to make a dangerous and stormy crossing of the Straits of Florida in their eagerness to seek new lives outside the jurisdiction of the Castro government demonstrated throughout Latin America and beyond that the Cuban order of things was not necessarily perfect.

In such circumstances there surely should have been enough political sensitivity in the industrialised West for the argument to have been put to the financial institutions that they should be especially careful in considering the political effects of their actions in the Third World.

And if anyone tries to put forward the argument that the financial institutions are autonomous, technical bodies which serenely pursue their policies oblivious of the rest of the world I will be tempted to be very rude to him. The Fund and the Bank are in the real world with the rest of us. The difficulty seems to be to make them look at the big picture not just the small screen.

The merits of 'floating arbitration'

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

THE OPPORTUNITY of appealing to courts against a London arbitration award seems to be an irresistible temptation whenever large sums of money or acts of a government are at issue.

The 1979 Arbitration Act has not yet substantially curbed the steady stream of arbitration appeal decisions issuing from London's Commercial Court, and on reading them one wonders sometimes whether the arbitration was really necessary. Much time and money could often be saved by going straight to the court—or alternatively, by holding arbitration somewhere else, where awards are final.

Alas, there do not seem to be many places where arbitral awards are final, and none where the courts would be more experienced and predictable in commercial matters. This, at least, was the conclusion with which one was left at the end of a three day seminar on Arbitration and the State Courts held at the International Chamber of Commerce (ICC) in Paris last week.

Switzerland, the other important arbitration centres, does not seem to provide any better alternative, but Sweden, where Stockholm in recent years has proved to be attractive for the arbitration of disputes between western companies and communist governments or their trading corporations, deserves to be closely studied. The highly permissive attitude of Swedish courts may yet justify the unfashionable view that "floating arbitration," that is one not tied to the law of a particular country, really exists.

The Swiss courts have the usual authority over the procedural aspects of arbitration taking place within their jurisdiction, or deemed to take place there. Their most important role, however, concerns applications for annulment and review of awards and their authority in this is as wide as the criteria which they apply are uncertain. These are stated in the 1969 Intercantonal Arbitration Convention, usually referred to as the "Concordat." Among the cantons which did not subscribe to this convention were Lucerne and Zurich, but the Zurich law applying to arbitraiton differs very little from the provisions of the Concordat.

The *Concordat* gives the courts the power to annul an award if it is "arbitrary," that is "if it is based on findings which are clearly contradictory to the facts appearing on the file, or if it constitutes a clear violation of law or equity." There are several decisions of the Swiss Federal Supreme Court purporting to clarify the concept of arbitrariness without really doing so.

One is told only that a violation of law or of an undisputed principle of law or equity must be "manifestly untenable" and indefensible on reasonable or objective grounds in order to invalidate an award. The violation must also be important and the degree of the arbitrator's error must be very high. Clearly Swiss courts cannot annul an arbitral award for minor defects, but beyond that eth power to review the findings of facts and law seems to be unlimited.

Turning to Sweden, the picture could not be more different.

The Swedish courts tend to allow arbitral awards a finality greater than they enjoy in other countries, and to recognise and execute even such foreign wards which are still pending, on appeal, in courts of the place where they were made. This can be best illustrated by the Swedish Supreme Court's decision* concerning a dispute betwen a Swedish shipbuilder, Gotaverken Arendal Aktiebolag, and the Libyan state shipping company, General National Maritime Transport (GNMT).

GNMT ordered, in 1973, three oil tankers and paid the Swedish shipyard an advance of $90m against a total price of $120m. But when the vessels were completed the Libyan organisation refused to take delivery and to pay the remaining $30m. It claimed that the vessels did not conform to specifications and strongly argued that the builder had violated Libyan laws concerning the boycott of trade with Israel, and that these were of a mandatory nature and could not be waived by contract.

In March, 1977, an arbitral tribunal was constituted in Paris under ICC rules. In December of that year the three arbitrators, of which one was a Norwegian academic, another President of the Benghazi Court of Appeal, and the third, the chairman, a French lawyer, agreed a draft award, the main conclusion of which was that the Libyan boycott laws did not give the buyer an excuse for not accepting delivery of the vessels. Moreover, the arbitrators reduced the value by about 0.5 per cent because of certain shortcoming, and reduced the last instalment payable to the shipbuilders correspondingly.

After some minor changes in the draft the secretary of the ICC Court of Arbitration confirmed in April, 1978, that the award** had been made in accordance with the ICC rules of arbitration, and the procedural law applicable at the place of arbitration, which was Paris.

As the three tankers were still in Sweden, the shipbuilders asked a Stockholm court for execution of the award. In the meantime, trying to forestall the enforcement of the award in Sweden, the Libyan company applied to the Paris Court of Appeal for the annulment of the award. The Libyan company then argued in Sweden that the enforcement of the award should not be allowed there: that the award was not binding on the parties because it was made in contravention of French law, and its enforcement in France had been suspended pending a decision from the Paris Court of Appeal.

The infringement of French law was seen in the reduction of the price which the Libyan company said the arbitrators were never asked to determine, the failure of the one of the arbitrators to participate in all decisions, and the interference of ICC with the draft award.

It is a basic rule of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards that to be enforceable, the award must be binding under the law of one of the countries which signed the convention. The Swedish statute implementing the convention provides accordingly that a foreign award is not valid in Sweden if it "has not yet become enforceable or otherwise binding" on the parties in the state in which, or under the law of which, it was made. The convention uses the words "not yet become binding" and the Swedish Supreme Court, when the case finally reached it, went to some length to explain that this was the real meaning of the Swedish statute.

Accordingly, it held that the mere application in the French courts did not remove the binding force of the award which, under the ICC rules, was supposed to be final. A little later the French Court of Appeal declared itself incompetent to deal with the matter, so that from the French point of view the award remained in limbo, and the proponents of the theory of a floating international arbitration, unconnected with national law, have been provided if not with a leg, then at least with a crutch to lean on.

The jobe of this tremendously complicated litigation is, of course, in the simplicity of the real reason for the rejection of the tankers: they were ordered in 1973 and rejected in 1976 when there was a glut of tankers on the seas.

**The Supreme Court of Sweden Case No. O 1343/78 Judgment August 13, 1979 unreported.*

***ICC Court of Arbitration Cases No 2977/8 and 3033. Reported by J. G. Wetter in The International Arbitral Process II P.209.*

Our Home may turn the tables

RACING

BY DOMINIC WIGAN

THIS AFTERNOON'S 1,000 Guineas on the Rowley Mile has a far more open look about it than last year's race, which saw One in a Million justifying massive confidence, and betting seems sure to take a wide range. However, I again expect to see two at the forefront of the betting—Saison and Our Home—filling the first two places.

Both these fillies are something of unknown quantities.

Our Home, without an outing this season, made just two appearances in 1979. Saison's sole race came in a modest maiden event at Newbury. However, of one thing there is no doubt: both have been shaping in highly encouraging style, and the respective stables of Henry Cecil and Michael Stoute are brimful of confidence.

The fact that Joe Mercer has elected to ride Saison in preference to the proven Evita speaks volumes for the encouragement he received from Saison's final work-out.

The champion jockey has returned pleased but not prepared to commit himself, as far as his 1,000 Guineas' mount was concerned, after Saison had brushed aside backward opponents in a 7-furlong maiden event at Newbury. It was not until partnering Saison in her final piece of work that he made his decision.

By all accounts, Saison, a L'Enjoleur filly, made short work of Evita in that gallop

Our Home, whose sister Rousalka won so many good races for Saison's stable, did extremely well for a filly making only her second race-course appearance when chasing home Mrs. Penny and Abeer

Although Mrs. Penny, twice a winner at Newmarket in Group company, holds Stoute's filly "on the book," I suspect that Our Home, a big, rangy filly, has made sufficient improvement to turn the tables.

In an absorbing race, which saw no defectors at the final declaration stage, Our Home is just preferred to Saison. Scigueta, arguably the best-looking filly in the 23-runner field and one who shaped with considerable promise in the Nell Gwyn Stakes, could prove the pick of the outsiders, with each-way prospects.

NEWMARKET

2.00—Mull of Kintyre
2.30—Gusty's Gift
3.05—Our Home**
3.35—Hello Gorgeous*
4.10—Rowlandson***
4.40—Companionship

TV/Radio

BBC 1

† Indicates programme in black and white

6.50-7.55 am Open University (Ultra high frequency only). 9.47 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mr. Benn Goes Ballooning. 2.00 You and Me. 2.15 For Schools, Colleges. 3.15 Dechrau Canu, Dechrau Canmol (Welsh hymn-singing). 3.55 Play School (as BBC 2 11.00 am). 4.20 The All New Popeye Show. 4.40 Graham's Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South-East only) followed by local Weather.
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 Taxi.
8.25 Hannah.
9.00 News.
9.25 Bull Week.
10.10 Paradise in a Dream.
10.55 News Headlines.
10.57 Question Time.
11.57 Regional News.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.57 News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.10 "The Godchild," starring Jack Palance. 11.20 The District Vote: How has the political climate changed? 12.30 am News and Weather for Scotland.

Northern Ireland — 11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.57 Weatherman. 11.59 Tomorrow's World. 12.24 am News and Weather for Northern Ireland.

England—5.55-6.20 Look East (Norwich); Look North (Leeds, Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
3.10 pm Snooker: Embassy World Profession Championship.
4.50 Open University.
6.55 Snooker.
7.20 Mid-evening News.
7.30 Newsweek: America's Presidential Election year.
8.05 In the Making.
8.35 One Man and His Dog.
9.00 A Question of Guilt.
9.30 Man Alive: Choosing the Sex of Your Baby.
10.20 Snooker.
11.15 Newsnight: Local Election Special.

LONDON

9.30 am Schools Programmes. 12.00 Gammon and Spinach. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 After Noon Plus. 2.25 Racing from Newmarket. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.15 Selwyn.

5.45 News.
6.00 Thames News.
6.30 Help!
6.40 Cartoon Time.
6.50 "The Great St. Trinian's Train Robbery," starring Dora Bryan and Frankie Howerd.
8.30 TV Eye.
9.00 The Nesbitts Are Coming.
9.30 Shelley.
10.00 News.
10.30 Soccer Special.
11.30 Inside Business.
12.00 What the Papers Say.
12.15 am Close: Personal Choice with Bernard Hepton.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 TV Movie: "Genesis II." 10.30 Basketball. 11.00 Luke's Kingdom.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Windows. 4.20 Fangface. 4.50 Salvage 1. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 11.30 ATV Newsdesk. 11.35 Local Elections.

BORDER

1.20 pm Border News. 2.00 Houseparty. 4.15 Thursday Matinee: "The Brigand Kanahar." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.30 Soap. 11.00 The McKenzie Affair. 12.00 Barney Miller. 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Target the Impossible. 7.30 The Incredible Hulk. 10.28 Channel Late News. 10.32 Soap 11.05 The Electric Theatre Show. †11.25 TV Movie: "Satan's Schools For Girls." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 6.00 North Tonight and Area Weather Forecast. 7.00 You're Only Young Twice. 7.30 Charlie's Angels. 10.30 Reflections. 11.30 Soap. 12.05 am Have Girls Will Travel. 1.00 North Headlines.

GRANADA

1.20 pm Granada Reports. 4.10 The Undersea Adventures of Captain Nemo. 4.15 Salvage 1. 5.15 Bailey's Bird. 6.00 Granada Reports 6.30 Emmerdale Farm. 7.00 Charlie's Angels. 8.00 George and Mildred. 11.30 Report Politics Election Special.

HTV

12.30 pm Money-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine and Friends. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 11.35 Luke's Kingdom.

HTV Cymru/Wales—As HTV West/ HTV General Service except: 9.52-10.07 am Cymru A'r Mor: Adeiladu Llongau. 12.00-12.10 pm Fflatebalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoon Time. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35 The English Garden. 11.05-12.00 Luke's Kingdom.

SCOTTISH

12.30 pm Gardening Today. 1.20 News and Road and Weather. 4.15 Call It Macaroni. 4.45 Champions All Gymnastics. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report (a look at Scottish Education). 7.00 Take the High Road. 7.30 The Incredible Hulk. 10.30 Encore For The Arts (profile of Sir William Russell Flint). 11.20 Late Call. 11.25 The District Decides (Local Election Results).

SOUTHERN

1.20 pm Southern News and Weather. 2.00 Houseparty. 4.15 Tarzan. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 A Man Called Sloane. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Charles Endell Esq. 12.05 am What the Papers Say.

TYNE TEES

9.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News and Lookaround. 4.15 The Lost Islands. 4.45 The Life and Times of Grizzly Adams. 6.00 North-East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 The Streets of San Francisco. 9.30 Northern Scene: "Crisis In The Countryside." 11.30 North-East News. 11.82 Tribute to Alfred Hitchcock.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 10.29 Ulster Weather. 11.30 Family. 12.25 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Westward Report. 7.30 The Incredible Hulk. 10.32 Westward Late News. 11.30 TV Movie: "Satan's School For Girls." 12.45 am Faith For Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

12.30 pm The Allan Stewart Tapes. 1.20 Calendar News. 4.15 The Woody Woodpecker Show. 4.45 Salvage 1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 11.30 Calendar Local Election Special.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

RADIO 2

RADIO 3

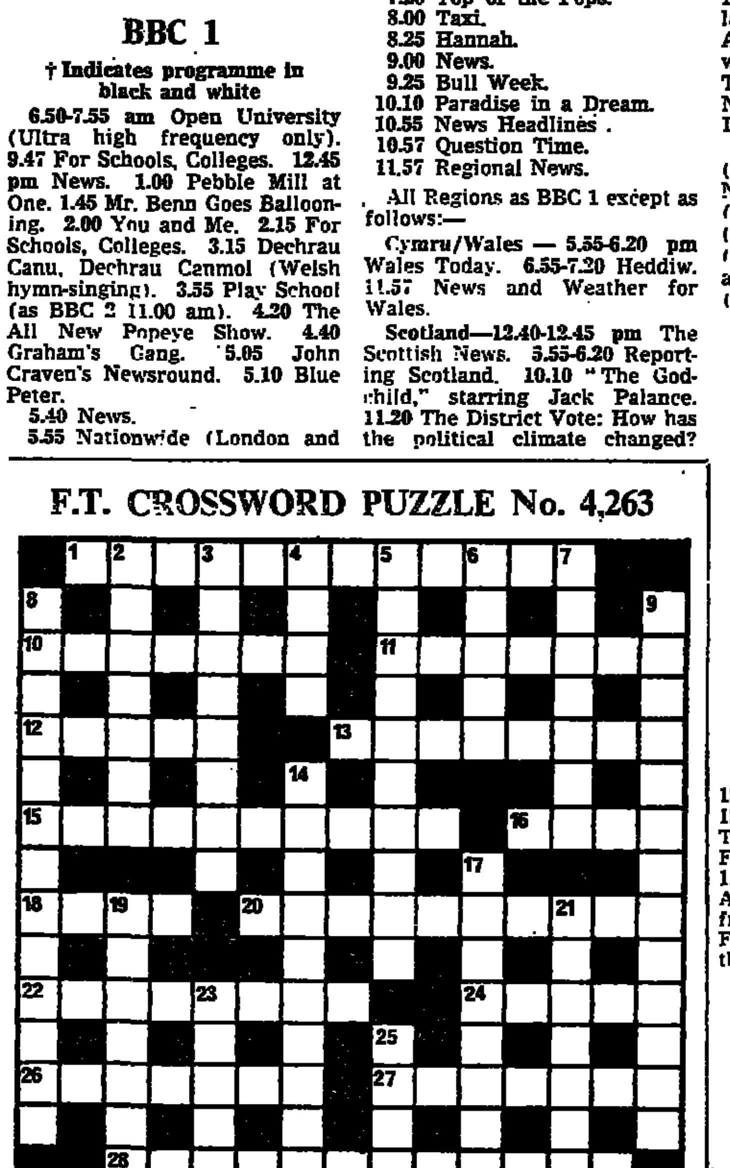
RADIO 4

Service. 10.45 Story Time. 11.00 News. 11.05 File on 4. 11.50 A Certain Style. 12.00 News. 12.02 pm You and Yours. 12.27 The Jason Explanation of Religion (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News.

BBC Radio London

London Broadcasting

F.T. CROSSWORD PUZZLE No. 4,263



ACROSS

1 Initially explode without pausing for reflection (2, 5, 2, 3)
10 Proposition coming from her to me somehow (7)
11 Ham finished? Then do something (7)
12 Joint Yorkshire companion? (5)
13 Concern making profit (8)
15 Public cut down certainly opposite (4, 3, 3)
16 Three's a mad riot (4)
18 A lot of papers appear about morning (4)
20 What is usually done by vulgar bench (6, 4)
22 Impress newsman with oriental rush (8)
24 Crowd watching squash (5)
26 Blood count (7)
27 Cut short a game of cards (7)
28 I don't know a further question please (3, 2, 7)

DOWN

2 From which to drive north taking time between 13 and 19 (7)
3 I took the Rolls to one gallery in anger (8)
4 A number like this first person (4)
5 Foundation members lay down weapons (6, 4)
6 Overweight recipients of New Year honours take the point (5)
7 Stroller down lane in fine coat (7)
8 It comes right for a sailor (9, 4)
9 Officer of the line changing to steam trains (7, 6)
14 Back to marry officer on board (6, 4)
17 Animate one northern ghost (8)
19 State of America described after the manner of two graduates (7)
21 Left subscription till late (7)
23 Pick piano by chance (5)
25 Advise on strife over pole (4)

Solution to Puzzle No. 4,262

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HACKSAW ERRATIC
E H W O X E R O
LEAVE RAINSTORM
L I E D L H I P
CONSTABLE UNCLE
A M O F N
TRAIL UNREFINED
 I A N E L I
POLICEDOG EAGRE
I O I H N
THORN CASEMATED
C R I H T U M L
HIGHCHAIR TRACE
E A A R A E R S
RINGLET REDRESS
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ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

ST. MARTIN'S. CC. 836 1433. Evgs. 8. Matinee Tues. at 2.45. Sats. 5 & 8. Agatha Christie's THE MOUSETRAP. World's longest-ever Run. 28th Year.

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. LONGEST RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. Directed by Allan Davis. Credit cards 01-836 4143. Group sales Box Office 01-379 6061.

STRATFORD-UPON-AVON. Royal Shakespeare Theatre (0789) 292271. Tickets immediately available for RSC in ROMEO AND JULIET tonight, tomor. May 3 (mat). AS YOU LIKE IT May 5, 6, 10 (mat). Recorded booking info (0789) 69191.

TALK OF THE TOWN. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. LONDON'S GREATEST NIGHT OUT. From 8 o'clock. Dining and Dancing. 9.30 SUPER REVUE BUBBLY and in cabaret at 11: ANITA HARRIS.

VAUDEVILLE. S. CC. 01-836 9988. Grp sales 379 6061. Eve. 8.0. Sat. 5.30 and 8.30. Wed. Mat 2.45. IAN OGILVY. SHEILA GISH. JAMES COUSINS in STAGE STRUCK. A new thriller by Simon Gray.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sats. 2.45. ANNIE. Group Sales Box Office 01-379 6061.

WAREHOUSE. Donmar Theatre. Covent Garden. Box Office 836 6808. ROYAL SHAKESPEARE COMPANY. Tomor & all week 7.30 final perfs of Chekhov's THREE SISTERS trans. Richard Cottrell (sold out).

WHITEHALL THEATRE. 930 7765. CC. Reduced price previews May 8, 9. Special Preview May 10. OPENS May 12. Paul Raymond presents FIONA RICHMOND and a Bedful of Beauties in WOT! NO PYJAMAS! Featuring Men Only Magazine's Sensational Playmates of the Year. Advance Box Office Open.

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. Hotter than ever for 1980. The erotic experience of the modern era. Fifth great year.

WYNDHAM'S. S. 01-836 3028. CC bkgs. 379 6565. Tickets only £1.80-£4.80. Evgs. 8.00 Fri. and Sat. 6.00 and 8.40. Belt and Braces in ACCIDENTAL DEATH OF AN ANARCHIST.

CINEMAS

3. THE DEER HUNTER (X). 12.45. 4.05. 7.30. Late Show Sat. 10.50.

ART GALLERIES

MARLBOROUGH, 6, Albemarle Street, W1. VICTOR PASMORE. Recent Paintings & Graphics. Until 23 May.

COLNAGHI, 14, Old Bond St., London, W1. 01-491 7408. IMPERIAL OTTOMAN TEXTILES. Until 23 May. Mon.-Fri. 9.30-6. Sats. 10-1.

FINE ART SOCIETY, 148, New Bond St., W1. 01-629 5116. EILEEN HOGAN.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572-3. An Exhibition of EDWARD BURRA. Paintings from America. Mon.-Fri. 10-5. Sat. 10-1.

MATHAF GALLERY, 24, Motcombe St., SW1. Tel: 235 0010. Specialists in 19th Century and Contemporary Paintings of ARABIA.

BROWSE AND DARBY, 19, Cork Street W1. 01-734 7984. JOAN EARDLEY Paintings and Drawings. Until 24 May.

SANDFORD GALLERY, Covent Garden, 1 Mercer St., off Long Acre, WC2. 01-379 5905. Mon.-Sat. 11-6. "CONTRASTS" Paintings & Sculpture inc. William Pye, Sandra Blow, RA, William Crozier, Donald Hamilton Fraser, John Copnall, Humphrey Spender, and Anthony Whishaw. Ends May 31.

ANDRE BISCAT. New Watercolours. Until 20 May at Bohun Gallery. 01- 6228.

HAMILTONS, 13, Carlos Place, nr. Grosvenor Square, W1. 499 9493-4. Recent Flower Paintings by GEORGE ACZEL. Sculptures by SUZY ACZEL. Until 15th May. Open Mon.-Fri. 9.30-5.30. Saturday 10.00-1.00.

MALL GALLERIES, The Mall, SW1. Paintings by DAVID DONALDSON. Mon.-Fri. 10-5, Sat. 10-1. (Closed 5 May). Until 14 May. Adm. Free.

THE ARTS

Covent Garden

Triple Bill

by CLEMENT CRISP

Since a scheduled revival of On ... e has not been possible—(*on ne dine pas*)—the Royal Ballet has confected an ill-assorted triple bill from second-hand items—MacMillan's *My Brothers, My Sisters* and Robert North's *Troy Game*—and a first creation by David Bintley for the Opera House troupe. This is *Adieu*, a realisation of Andrzej Panufnik's 1971 violin concerto, which continues the collaboration begun with Bintley's setting of Panufnik's *Homage to Chopin* for Sadler's Wells Royal Ballet. For theme, Bintley has turned to the composer's life, finding a programme for his plotless dances in the fact of Panufnik's need to seek artistic liberty by quitting his homeland. But where *Home to Chopin* was an assured personal view of the academic style, because written for dancers whom Bintley knows well, *Adieu* seems to rely more than it should upon received ideas, both about choreography—there are debts to MacMillan and Tetley — and interpreters, since Bintley is on les familiar territory, with the Covent Garden ensemble.

The first two movements of the concerto are spare, translucent, and Bintley produces an opening ensemble for four women, led by Monica Mason, and eight men, that hints at distres sof spirit. He follows this with a pas de deux for Merle Park and David Wall, occupying the music's adagio, which yearns and aspires—Park as muse and companion to Wall—and is the most accomplished part of the ballet. The music's mood changes with the final *vivace*, Bintley bringing on Graham Fletcher as a cheerful (almost Bratfisch-like) figure, whose sudden moments of anguish are mocked by a chorus of four girls. As sometimes happens when orchestral last movements are involved with choreography, there is a problem to reconcile the preceding seriousness with closing jovialities, and this finale of *Adieu* sits oddly with the earlier sections.

The positive merits of *Adieu* lie in Bintley's ability—rare in a choreographer of only 22—to set out his choreographic patterns so securely on the Opera House stage, and in an imaginative energy which—in its best moments in the first and second movements—speaks with an individual creative voice. There is a good set— an abstract wash of grey brushstrokes—by Mike Becket, but far less happy costuming, mostly dun-coloured and unbecoming in cut. Aalph Holmes and the Opera House orchestra under Ashley Lawrence gave a finely judged account of the score.

We saw *My Brother, My Sister* two years ago with the Stuttgart Balle tfor whomi it was created. It is one of MacMillan's darkest, most intriguing works, a portrait of an isolated, self-obsessed and self-destructive group of siblings, whose murderous and incestous games grip the imagination. At the first performance on Tuesday night, the Royal cast was uniformly good, but discussion of this rivival can decently wait until later this week, when Birgit Keil and Richard Cragun—originators of the two leading roles in Stuttgart—will appear. Tribute, though, must be instantly paid to Jennifer Penney as the principal sister. In an interpretation of chilling power, Penney gave a marvellously sustained and nuanced portrayal of madness and vicious menace. At one moment she bourrées exquisitely across the stage in pursuit of Lesley Colier also very fine), and the effect is of a murderess whispering appaling threats to her victim. Horrific, and horrifyingly good.

About the arrival of *Troy Game* in the Royal stable I am puzzled. When staged for London Contemporary Dance Theatre six years ago, it was a jolly exercise which showed off the skill of six fine male dancers, and provided light relief in an otherwise rather solemn repertory. At a gala last year some of the Royal Ballet's men joined the LCDT cast in a performance of *Troy Game*, which must have given someone the idea that it would be amusing to allow the Royal chaps to flex their muscles more regularly in this fashion. But the piece is as hollow in its machismo attitudinising as is the clatter of percussion from the orchestra pit, and ballet-trained bodies lack the weight and power in dynamics that LCDT's men bring to it. Instead of being indulged in his beefy rodomontade, the male dancers of the Royal Ballet need to be enhanced and challenged by Bournonville training and Bournonville repertory. Therein lies true mesculinity as dancers and artists.

Leonard Burt

Merle Park and David Wall in 'Alien'

Lyric, Hammersmith

Hay Fever

by B. A. YOUNG

To my mind, and apparently to the author's, *Hay Fever* is the best of Noël Coward's comedies. You can see his later effects there in embryo; a formal construction forecasting *Private Lives*, the use of place-names in difficult conversation ("Spain is a beautiful country. Italy's awfully nice, isn't it. Rome is a beautiful city" becomes "Very big. China. And Japan, very small"), a cunning emphasis on irrelevant detail.

The play has aged better than the later comedies, perhaps simply because the jokes are better, though there are few actual jokes such as you would get in, say, Ayckbourn. "Where's the barometer?" "On the piano." This is hardly an after-dinner jest, but as Coward works it into his dialogue it is hilarious. Because the jokes are so intrincise to te situations, which blossom afresh every moment like colours in a kaleidoscope, the play needs exceptionally good acting; and this production under the stylish direction of Michael Blakemore is blessed with a formidable cast.

Constance Cummings may not be everyone's immediate idea of Judith Bliss. She is younger than other Judiths one has seen, and less flamboyant. But she fits the situation very well; with two children aged about 20 she need not be more than cosily mature, and she turns on the drama well enough when it's wanted, as in the extracts from *Love's Whirlwind* that she extemporises with the children. Perhaps a little extra trace of poison would not go amiss, but I found the performance funny and true.

She is well matched by John Le Mesurier, who gives a masterly display or artistic under-acting as her husband David, ever rising above *mezzo-forte* until in the last act he is embroiled in a tremendous family row about whether the Rue St. Honoré or the Rue Boissy d'Anglas debouches into the Place de la Concorde—one of those emphases on the wrong detail I spoke of just now.

Felicity Dean and Brian Stirner are a beuatifully quarrelsome pair of Bliss children, and the four guests are ably taken by Jeremy Child (Judith's wet young fan Sandy), Polly Adams (a ginger-haired Myra), Moray Watson (the stuffy diplomat Richard and Yvonne Antrobus (Jackie, tearful and overawed by everything). Mary Griffiths is delightful as Clara, going unwillingly about her domestic duties with a cigarette in her mouth. The pretty set by Julia Trevelyan Oman has a charming water-colour over the fire-place, and the costumes are as nicely in period as if they came from the V and A.

Leonard Burt

Brian Stirner, Constance Cummings and Felicity Dean in 'Hay Fever'

Holkham manuscripts for nation

In one of the most important deals of its kind, Christie's has negotiated the private sale to the nation of a very important group of illuminated manuscripts from the library at Holkham Hall. The manuscripts consist of a 14th century copy of Dante's Inferno with the first known complete set of illustrations made within a century of the poet's death; Azzo's "Summa super Codicem," produced around 1300 with probably the finest extant examples of Bolognese illumination; Boccacio's "Decameron," written in Ferrara around 1450; and three eary Byzantine gospels.

The Trustees of the Holkham Settled Estates, and Lord Coke, faced difficult decisions concerning the future of Holkham following the death of the 5th Earl of Leicester in 1976 and the consequent heavy liability to Capital Transfer Tax. One possibility was auctioning off some of the treasures but their national importance persuaded them to offer them to the Treasury "in lieu" of tax. It is hoped that the three Greek gospels will join other Holkham manuscripts at the Bodleian in Oxford while the others will probably be distributed among important museums.

City Hall, Newcastle

The Police

by ANTONY THORNCROFT

The Police ended their world tour on Monday night where it all began—in Newcastle. Three years ago Gordon Sumner was a local schoolteacher; now he is Sting, the pivot of one of the most successful bands to be thrown ashore by the new wave. In the City Hall, before his home crowd and with the help of the odd raw egg, he strained the last few rasps from his taxed vocal chords, leapt one final scissor kick, and fled—to complete a badly needed new album in a less taxing environment.

The Police have been so successful in the past year that they dare not perform in the UK again for some time for financial reasons—and also for musical ones. For Monday's concert was very much the end of the era. The two excellent albums which have spawned lots of singles and lots and lots of sales now sound quite exhausted. It was nice to hear the songs again, but not now again. Still in this particular *setting, with the audience on its* feet and happy from the start, it was an exhilerating envoie.

The power of The Police is that they re-packaged new wave energy with good old fashioned hook lines and added a white reggae beat. When they are putting on the punk they look uncomfortable; when belting out insistent melodies and rhythms of songs like "Roxanne," and "Can't stand losing you" they jump age gaps and musical prejudices. They are the pop group of the eighties to be enjoyed by people of the seventies, indeed the sixties.

Much of the appeal comes from Sting, shock-haired, rough-voiced, making the bass almost exciting. Andy Summers adds equally raw guitar and Stewart Copeland on drums, armed with shorts and a video camera to film the crowd, flails the drums with enthusiasm if not with finesse. The possibilities of a rock trio are limited but The Police do not outstay their welcome, and leave the audience if not crying for more, at least quite satisfied. It is time for The Police to move along but they deserve public *respect for the liveliness of the* past year and at Newcastle they must be highly commended for making the most of comparatively little.

St. John's, Smith Square

Rafael Puyana

by DAVID MURRAY

Mr. Puyana's recital on Tuesday was in aid of victims of Colombian natural disasters. His programme, a little different from the advertised one, drew upon 150 years of harpsichord music: in place of the English music we had a Suite in F minor by Jean-Nicholas Geoffroy, of whom I can tell you only that his dates were 1633-1694—the printed programme revealed no more. His Suite bore interesting comparison with the C minor Suite by Bach's contemporary, Louis Nicholas Clerambault (better known for his organ music). If Clerambault's Allemande was richer and more ramified than Geoffroy's—Puyana has a particularly attractive side-slippingway with Allemandes—the Geoffroy Gigue, crisply inventive and quasi-canonical, made Clerambault's sound a conventional exercise But charming: all this music, "Aria detto Balletto" (a rhythmically resourceful variation-set), sounded charming in Puyana's hands.

Like all the best harpsichordists, he offers a variety of touch which the nature of the instrument would seem *prima facie* to exclude. The period of the harpsichord as a sort of musical typewriter is safely past. There are players who cary expressive freedoms to a point of conscious sophistication beyond Puyana's, in the 17th and 18th century repertoire; he allows his music plenty of irregular life, but he never loses touch with the dance-forms from which it generally begins. He resorts to mechanical colour-devices only very discreetly (never, I think, for simple repeats), for ihs phrasing is sufficiently pungent to enliven the surface over the springing beat. His ornaments are turned with a resounding panache that must answer splendidly to the expectations of the period.

In Bach's earlyish Toccata in D, floridly dramatic, Puyana allowed himself fine rhetorical licence. In some performances effervescent humour dominates; Puyana found so much substance in the declamatory passages that the whole Toccata became too imposing for jokes. He seemed to have chosen his three Scarlatti sonatas for their complementary effect, not for *contrast—it was the Scarlatti of* dense percussive chords and thumping excitement who was represented here. Another Scarlattian vein, compacted high comedy in quick contrasts, surfaced instead in a pair of sonatas by Soler, of which one in the rare key of F-sharp major brought the recital to a robust and witty conclusion. Mr. Puyana is a natural tonic.

Banqueting House, Whitehall

Acis and Galatea

by FRANK DOBBINS

On Monday evening the 1980 English Bach Festival made an auspicious start beneath Ruben's gloriously-painted ceiling with a bright performance of Handel's delightful pastoral masque. The 1718 version, composed for the private entertainment of the Duke of Chandos at Cannons, recorded by John Eliot Gardiner and The English Baroque Soloists, is again favoured with a performance in the "authentic" manner on baroque instruments. The present production devised and edited by Brian Trowell uses a smaller ensemble than Gardiner's with just three violins, cello, double bass, harpsichord and a pair of oboes doubling on recorders. The single cello appears to be at variance with markings on the autograph score and the absence of a bassoon to balance the oboes seems regrettable; but the instrumental octet neatly balanced the six singers who not only represent the pastoral protagonists but combine as the chorus.

On the whole the vocal duplication did not impair the dramatic presentation, although the Polyphemus remains problematical since the bass voice is required in the preceding chorus —"Wretched lovers." However, there was some awkwardness in movement and action without props or scenery and it may be significant that when Handel himself revived the work for the theatre he presented it in the manner of an oratorio.

Professor Trowell's edition restores some of the original text collectively compiled by John Gay, with help from Alexander Pope and John Hughes, but subsequently revised. This included Polyphemus' second aria "Who would bear a woman's toying?" later expurgated as "Cease to beauty to be suing." The edition also prescribes ornamentation for the *da capo* arias, mkaing skilful use of *appogiature* and *fiorture* to enhance the interest and virtuosity without serious injury to the composer's fine melodic lines. Not all the singers seem to have managed this with complete ease, but Galatea's first aria "Hush, ye pretty warbling quire" provided an object lesson with thrilling strains worthy of Handel's own leading ladies.

Ann Mackay's whole performance was a model of commitment, control and clarity. Her vocal beauty allied to her *physical allure fully warranted* the devotion of Acis as well as the passionate enchantment of Polyphemus and must ensure her a great future. Peter Jeffes, fresh from his success as Tamino in Kent Opera's *Magic Flute*, lent much charm to the music of Acis, singing with limpid tone and lyrical warmth. Michael Goldthorpe was an earnest Damon, carefully measuring his phrases and lucidly articulating his lines while Adrian Thompson, as Corydon, almost subdued the giant's unruly passions with his soothing tones in the aria "Would you gain the tender creature." Rodney Macann looked and sounded suitably fearsome as the giant—even if some of his vocalisation seemed somewhat blustery in the resonant chamber.

The vocal ensembles were generally well co-ordinated and finely-balanced, while the instrumentalists garbed in Georgian elegance and directed from the harpsichord by John Toll were a little looser in setting the tempo for each number. The violin playing was uniformly trim, if faint, and although the occupational hazards of the baroque oboes made them sound rather more rustic there was some delightful fluting to compensate.

A sound edition of Handel's *splendid score, an authentic but* vigorous performance by young singers and players, added to the charms of costumes and setting all helped assure a delightful entertainment.

John Lewis Auditorium

Genevieve de Brabant

by RONALD CRICHTON

John Lewis Partnership Music Society have an admirable way of choosing for their annual production operas or operettas that entertain the audience, interest the buffs and collectors and are or appear to be fun to do for the performers. Their contribution to the Offenbach year is *Geneviève de Brabant*, the second of his full-length operettas, following *Orpheus in the Underworld*, less triumphantly successful, but revived twice in Paris by the composer. The first revival (1867) with a rewritten libretto and the two acts expanded to three is the one chosen by John Lewis. After the Franco-Prussian war there was a third version in five acts, as a grand spectacular.

Mythological Greece was forsaken for the French middle ages — probably Geneviève of Brabant, her crusading husband Sifroy (Siegfried), the wicked steward Golo and the warrior Charles Martel are even stranger to modern audiences than Orpheus, Eurydice and Pluto. But the difficulty of allusion that has descended on Offenbach's librettos can be as much exaggerated as the obscurity of the musical parodies—Monday's audience took the farrago in their stride. Incidentally the story is basically the same as Schumann's opera *Genoveva*, a work of greater musical profundity if notably less theatrical flair — worthy one day of the attentions of this company.

James Robertson conducted with firmness and a measures of flexibility. The Cavendish Orchestra started well but tired a little before the end. The chorus, gowned rather than costumed by Steven Gregory in dresses better made than we invariably see on grander stages, were lively. The production by Tom Hawkes, in Mr. Gregory's ingenious all-purpose sliver set, marshalled a large number of people with some skill on a small stage.

The large number of characters, no doubt one reason for choosing the work, unfortunately precludes mention of more than the principals. Jacqueline Branson-Jones as Genevieve looked a treat and sang with a forwardness of tone right for this music. The trouser role of the discreetly amorous page was excellently done by Kathleen Smales. David Flint as husband Sifroy, Trevor Craddock as Charles Martel were both above this country's operetta average.

The wicked, black-clad, slinky Golo of Bob French shared a touch of fantasy with his similarly attired, discarded wife Isoline (Jane Bolam), her role unfortunately confined to the last act. Geoffrey Wilson's translation, made for the occasion, sounded well on the too infrequent occasions when one could hear it (the standard Offenbach joke of parodying grand opera repetitions of phrases and half-phrases loses point when the phrases are not clear). For some reason the cast pronounced the surely long-anglicised Brabant as "Brobong," and made the heroine's name sound like the French for January.

ICA theatre

Towards a Nuclear Future

by MICHAEL COVENEY

When the Pip Simmons Theatre Group hits on the right material, there are few more exciting theatrical experiences. And for a company whose hallmark is the flagellation of reflex liberal assumptions, the nuclear energy debate proves ideal. This is only the second show to attack the subject (the first was Philip Martin's ill-fated *Thee and Me* at the National), which is somewhat surprising given that we now live in a nuclear age as opposed to a merely industrial or electronic one. The Harrisburg disaster was the inspiration for Jane Fonda's film *The China Syndrome*. But not one life was lost in the accident, and we are urged to consider the view that nuclear power is safer than either air or car travel. Miss Fonda is written off as someone who made a million by selling her integrity; Ralph Nader derided as the cocktail party demagogue of the 70s.

That may be pushing it a bit far—and the show never describes the sheer physical horror of a nuclear explosion or its destructive potential—but Pip Simmons is in the pushing business. Could it be that the vociferousness of the anti-nuke brigade, resulting in a one-sided discussion, could lead to a decimated planet where the public remained uneducated before being overtaken by events?

In an attempt to redress the balance, Simmons gives centre stage to a relatively convincing apologist for nuclear energy. Roderic Leigh represents industry and is forced to compare the benefits of nuclear power with the right to express a view in a democracy as the rest of the cast don gasmasks and shout him down with a paranoid protest song. The production really begins to bite now, as the "concerned nuclear public" is dismissed as a movement out of proportion to the number of its supporters, thanks to media exposure, and the Friends of the Earth are presented as a wishy-washy Dylanesque tribe harking back, Mr. Leigh says, to the dark ages.

Without nuclear energy, we could soon have no sound and no light. The theatre is plunged into dark silence. Terrorism is the future industry, with nuclear blackmail its chief weapon. The company lines up to ask "where are the committed people?" Not, evidently, at the ICA. Sheila Burnett, representing the "Don't Knows," offers a gun to the audience as the cast huddle in blankets, on the point of extinction. Old-fashioned audience assault tactics confirm what Mr. Simmons knows to be true and never fails to delight in demonstrating: that theatre-goers dislike being involved and never answer back.

The central section gives us a highly imaginative treatment of Karen Silkwood's story. She wast he first anti-nuke martyr, a laboratory assistant in an Oklahoma plutonium plant who died ina mysterious road crash in 1974. We see her discovering more than she should know and being stripped by men in white suits, deposited in a large can and sacrificed on the highway. Simmon's ambiguously jaundiced view of heroism is magnificently clinched in a pounding rock song dedicated to Karen, who "set the liberals free."

The evening's function si not so much the provision of information as the discussion of how society reacts to the phenomenon. There is a completeness and confidence about the show's purpose and its staging far superior to most British alternative theatre. The music is marvellous and the stage picture continuously fascinating. The media man and the industry chief end up sharing the same chair in front of a vision of fall-out and the lone wail of a cello. The company re-form the dejected tableau we began with. The candles are snuffed. The lights come up. Do you clap?

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Thursday May 1 1980

A new queen's inheritance

THE RIOTING that marred yesterday's enthronement of Queen Beatrix of the Netherlands should not be given disproportionate importance. The new monarch inherits from her mother, the much-loved Queen Juliana, one of the most stable nations in Western Europe, if not the world. The country's institutions are deeply-rooted and unshakeably democratic. Dutch society is robust enough to be able to afford a high tolerance threshold for dissent. Indeed the right to differ, whether in viewpoint or in life-style, is enshrined in a Constitution that provides for the purest form of proportional representation. Despite the chill winds of recession, the Dutch remain one of the wealthiest people on earth.

Difficulties

Yet both mother and daughter stressed the difficulties of the times ahead in their speeches at yesterday's ceremony. The Dutch are more dependent than most on the outside world, both politically and economically, and they do not like what they see. Politically, they want strong Western and international institutions and a healthy European Community—not conspicuous features of 1980. Economically, they need to trade to survive. But they have not ye tsolved the problem of how to maintain high standards of living while at the same time producing goods that are internationally competitive.

This year the official forecast is for zero growth and stagnating exports, unemployment at the relatively high rate of 5 per cent or more and mounting inflation. An inflation rate of perhaps 6 per cent may not seem much to others, but it is not good for a country that is and wants to remain firmly embedded in the North European hard currency bloc and whose most important market is West Germany. The traditionally "moderate" Dutch trade unions have reluctantly accepted a statutory wage freeze—following the breakdown of collective negotiations—but the possibility of increased militancy is never far away. The country no longer has the resources, nor the Centre-Right Government the inclination, to buy off demands for higher wages with expensive social hand-outs.

The housing problem, in part responsible for yesterday's riots, is also likely to become an increasingly pressing political issue in the months ahead—with bills tabled in Parliament variously aimed at curtailing squatters' rights and preventing landlords leaving buildings unoccupied. In Amsterdam, at least, it is an explosive issue.

There will be little, in strictly constitutional terms, that Queen Beatrix can do to solve these problems. She is expected, however, to take a much greater interest in social issues, as well as in the problems of the Third World, than did Queen Juliana. The role of the Dutch monarch in Government, if limited, is still greater than in most other West European countries. The Queen chairs the Council of State, the country's highest advisory body, and has weekly meetings with the Prime Minister. In times of political crisis, not infrequent in the Netherlands, her function in the designation of Prime Ministers can be much more significant than in, say, the UK.

Political crisis, however, has been somewhat surprisingly absent from The Hague since the last one was resolved in December 1977. Mr. Dries van Agt, the controversial Prime Minister has defied his critics and kept his fragile-looking Centre-Right coalition in power, despite a wafer thin Parliamentary majority and feuding within the ranks of his own Christian Democrats. In the past five months he has weathered two major storms—one caused by the NATO decision to install a new generation of long-range nuclear missiles in Europe, the other by the resignation of his Finance Minister over public spendin gcuts. He could well survive until his term expires in May of next year.

Advantages

Thereafter, Queen Beatrix could face her first important political test, particularly if, after the elections, both Christian Democrats and the opposition Labour Party feel entitled to the post of Prime Minister. The new Queen starts with considerable advantages—the country is overwhelmingly loyal to the House of Orange and her German-born husband, Prince Claus, has surmounted the initial problem of his nationality to become widely popular. But she is very different in personality from her mother—both more formal and more headstrong. In a country like the Netherlands, she will have to win her own spurs.

The management of innovation

There is a widelyheld view that Britain is good at invention but bad at exploiting it. Some will find support for that view in the news that Thorn-EMI is to sell its medical scanner business to General Electric of the U.S.

EMI's development of the CT (computerised tomography) scanner in the late 1960s and early 1970s was one of the outstanding technical breakthroughs in British industry since the war. The inventor was awarded a Nobel prize: the machine represented a dramatic advance in diagnostic techniques.

Bitter blow

Yet this is the business which has been largely responsible for the financial crisis at EMI and hence the merger with Thorn. The fact that it is now being sold to one of EMI's major American competitors must be a bitter blow to the people whose flair and hard work created it.

It is easy to be wise after the event, but it seems that EMI made a strategic error in the early years by deciding to go it alone with the scanner, especially in the U.S. where the bulk of demand was expected to arise. For a foreign company to attack the American market with a novel and technically complex product, requiring heavy sales and service support, is a formidable undertaking. Although EMI was no newcomer to high technology—it had an impressive record in defence electronics—it was predominantly a music and entertainment company.

The decision to reject the possibility of licensing and to take total responsibility for sales and service (and later for manufacture) in the U.S. put an excessive strain on the company. It might have been wiser to rely on licensing income in the more difficult markets, as Pilkington did with its float glass process. There can be no hard-and-fast rule on these matters. Michelin, after all, launched a head-on attack in the U.S. market with its radial tyre and has been successful. But the scanner, where EMI was challenging the world's strongest electronics companies presented peculiarly difficult marketing and technical problems.

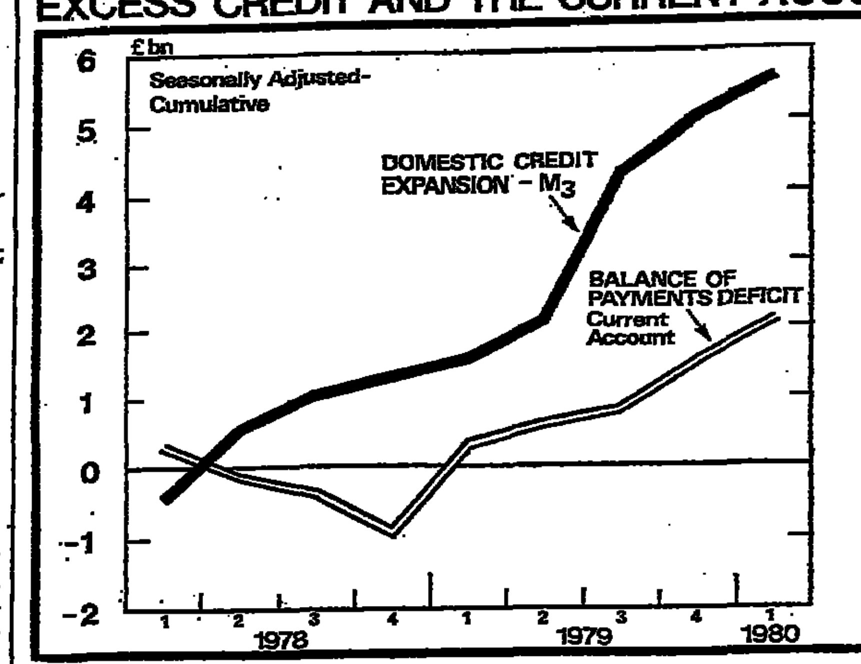
Perhaps it was a mistake, too, to have duplicated manufacturing between the UK and the U.S., with the decision to make the new 7070 scanner in the U.S. This product ran into engineering problems, though it was apparently well received in the market when deliveries started last year.

There are other difficulties which the company did not anticipate. It proved extraordinarily hard to obtain patent protection for the scanner, partly because the innovation lay more in the software than in the hardware. American competitors, fearing that their existing X-ray business might be undermined, did not hesitate to copy EMI's ideas. Secondly, the U.S. Government introduced measures in 1976 to reduce the cost of expenditure on health care; this drastically cut the rate of ordering for CT scanners. The market contracted just at the time when the number and effectiveness of EMI's competitors were increasing.

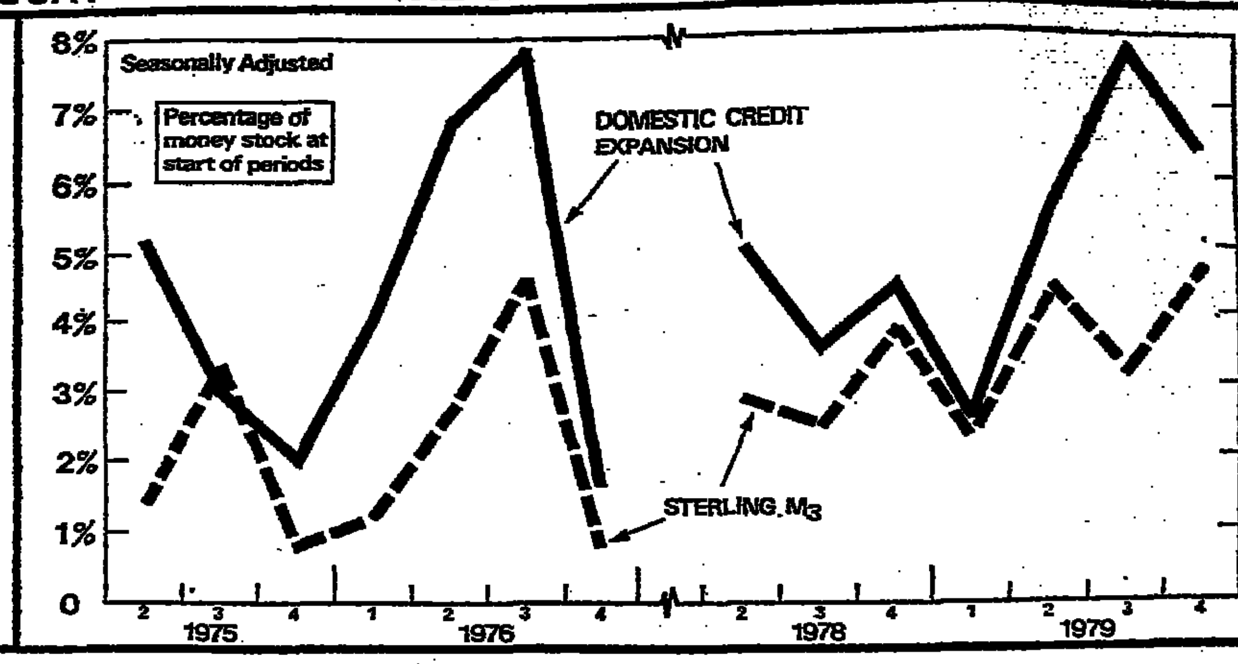
Realistic

The scanner failed as a commercial enterprise, not because of some exclusively British inability to exploit inventions, but through a mixture of management failures and bad luck. Other companies should be able to learn from EMI's mistakes, but there is no reason why the story of the scanner, rather than, say, the Pilkington float glass process, should be regarded as typical of British industry. Nor should it be assumed, because the buyer happens to be General Electric of the U.S., that only the very largest companies can afford to handle inventions of this sort. Small- and medium-sized companies have tended to be a more prolific source of radical innovation than the bureaucratic giants. Innovation can be profitable for large and small companies alike, but it has to be combined with a realistic appreciation of the problems involved in exploiting it and of management's capacity to cope with them.

EXCESS CREDIT AND THE CURRENT ACCOUNT



THE CRISIS THAT DID NOT RECUR



ECONOMIC VIEWPOINT

Results of twelve months of dogged oversimplifying

WHEN Mr. Edward Heath took office in 1970 his policy was to cut Government spending. Mr. Iain Macleod, his tragically short-lived Chancellor, was convinced that a very large saving could be achieved by abolishing investment grants and substituting tax allowances.

In spite of much patient explanation by officials to the effect that not collecting taxes was just as expensive as collecting them and handing out the proceeds, this was by then a political commitment, and for some time afterwards official papers presented this phantom "cut," together with footnotes explaining that it was meaningless.

As it happens, this particular misunderstanding had no very serious consequences, and did help to provoke some improvement in the public accounts; when the Heath Government went off the rails, it was for quite other reasons. All the same, it does illustrate how easy it is for well-intentioned slogans to translate themselves into half-understood measures.

If you borrow to live beyond your income not all the money . . . stays in your pocket

Today is a kind of anniversary — the first Thursday in May, which last year saw the election of Mrs. Thatcher and a Government rich in slogans. It is clear that after a year we have not arrived precisely at the planned destination; and it seems worth examining similar half-understandings.

Now the general view seems to be that though some things are regrettable, the heart is sound. Enthusiastic Government supporters will criticise the increase in VAT, or public sector pay settlements.

They will get quite hot under the collar about unrealistic cash limits on local authorities, which have the effect of financing cuts in relatively bearable taxes, such as income tax, through steep increases in a tax so bad that the Government is pledged to abolish it—the local rate. The results may be seen at the polls today.

This is all very well for those of religious faith, who firmly believe, despite the lack of any clear evidence, that if a particular banking statistic called the money supply is firmly controlled, inflation must and will abate. However, Mr. John Biffen, usually regarded as the high priest of this doctrine, has just admitted that there are no clear causal links; and although he was only enjoining patience, it is interesting to take his words literally, and examine how the constraints might work.

The slogans, at least, are clear. The purpose of controlling the money supply is to check inflaiton;a nd while the Government's Green Paper on monetary control concedes that it is "desirable to monitor some measure of credit, such as DCE," money is what counts.

The results of monitoring the growth of domestic credit are displayed in the charts, and they are interesting. The first displays what I have chosen to call "excess credit"—the extent by which credit expansion has exceeded monetary growth over the last two and a quarter years. The lower line displays one of the counterparts of this excess—the deficit on the current account of the balance of payment.

This simply illustrates a truth at the national level which is familiar to persons—if you borrow to live beyond your income, not all the money you borrow stays in your pocket. Now nobody would try to amend the habits of a spendthrift son simply by going through his wallet every day; they would restrict his income and warn off the moneylenders. Yet if monetary policy is addressed, as politicians like to proclaim, to preventing the nation from living beyond its means, it is missing the point.

Though the link between DCE and the current account is a lot clearer than that between money supply and inflation, there remains a large gap between the charted lines. The explanation is in its way even more extraordinary. It is filled quite largely by the huge retained profits of the banks, which have attracted so much attention.
at all.

Our national parent, in short, is not merely turning an indulgent eye on our habit of getting into debt, but is piling rewards into the pockets of the money-lenders—hardly the most direct way to restrain credit and monetary expansion in the future, one would have thought.

The strange thing is that the dangers of overlooking credit expansion are hardly unknown. Indeed, it is less than four years since we suffered a major national economic crisis on this account. In 1975-76 we had apparently effective monetary control, but excessive credit expansion. As a result, sterling collapsed, inflation rose hugely, and only the policies imposed by the IMF—or, to be fair to Mr. Healey, largely adopted in advance when the Government had done its own analysis—headed off a real collapse and hyper-inflation.

In reality, we are . . . persisting in our familiar spendthrift habits . . .

Now as the second chart shows, *if one looks purely* at measures on money and credit, the last two years have looked almost uncannily like a re-run of the 1976 crisis; yet on this occasion, the results have been entirely different. So far from collapsing this time, sterling has been embarrassingly strong; and indeed this strength is imposing some check on inflation.

It is fashionable to argue that it is monetary policy which is sustaining sterling; but if this were the whole answer, the 1976 crisis becomes inexplicable. The question is rather why excessive credit expansion is *not undermining* sterling; and the answer, surely, is to be sought in the North Sea. In 1976 nobody knew whether the Government would change its policies; we needed the IMF's Seal of Good Housekeping. This time round, any oil analyst can explain that the Government's own financial balance, and with it the balance of payments, is going to improve radically without any real effort at all.

However, this forecast itself raises some very awkward questions. What, it is reasonable to ask, will be the effect on the non-oil domestic economy of this statistical transformation?

The answers are puzzling. If we assume for a moment that all North Sea oil is produced by foreign companies, and that all future Government revenue is now going abroad in remitted profits, one can envisage a situation which seems to leave the rest of the economy almost untouched. In flow of funds terms, the PSBR and the foreign balance undergo equal and opposite changes, and no other flows are affected at all.

In fact, however, there are complicated results from what will be a drastic change in the capital markets. The scarcity of long-term Government securities is likely to have drastic effects on long-term yields, and further repercussion on the rate of private saving and the flow of private investment; but as I remarked in a recent tenancy of this column, expert forecasts of these various effects differ quite wildly.

We can ow sum up the contrast between the Governmnt's monetary slogans and the reality. In theory, we have a steady, unchanging and unyielding policy addressed to checking inflation. In reality, we are at present persisting in our familiar spendthrift habits, but our credit is good because of the discovery of a rich dead uncle. We will shortly be embarking on a new financial adventure, in which the Government presumably intended to go on controlling the same partly misleading numbers, despite a change in our national financial structure which will alter the meaning of all of them drastically.

. . . the Government will continue to believe in its own slogans . . .

Troughout this process, the credit available to the non-oil private sector is likely to be adequate to finance a highly uncomfortable rate of inflation. At present this is financed by foreign borrowing and paddnig bank assets; in future, it will be financed because the Government will be taking far less than its share of credit growth.

In spite of all this, the Government will no doubt continue to believe in its own slogans, because in spite of a lax credit regime inflation is being checked, and very painfully, in all sectors of the economy which are vulnerable to foreign competition.

It is even quite possible that in the long run, and in spite of the Government's proclaimed belief about the nature of the labour market, foreign competition will impose a generally lower going rate for wage settlements. We could in fact be on the road back to the 1950s, when inflation was constrained by an over-valued exchaneg rate, and the economy was correspondingly sluggish.

However, this is hardly the dynamic transformation which Mrs. Thatcher aims to achieve. It is worth trying to imagine what a policy really designed to achieve her stated aims would look like.

Monetary policy would be directed to achieving the kind of credit conditions that really would check inflation throughout the economy — in other words, to hold DCE somewhere near the permitted rate of monetary growth. North Sea revenues would require special statistical treatment in this context, to produce a target variable with some consistent relationship to pressure on the non-oil sector. A living illustration of such a policy is being provided by Mr. Paul Volcker, chairman of the Fed. It would involve interest rates well above the rate of inflation, a collapse of the property market, and a much deeper recession than is now expected, but it would probably succeed in checking inflation.

Alternatively, inflation could be attacked by other means: confrontations in the public sector, a really ferocious control of monopolies (including, perhaps, controls on their prices), a fierce assault on the unions, and real cuts in public services.

These are all unpalatable choices, and some of them might be called U-turns; but it is difficult to imagine any comfortable way of changing the habits and economic psychology of a nation.

Anthony Harris

MEN AND MATTERS

Dixie's bondsmen shut up shop

When Cyril Stephens—known as Steve in the market—retires from jobbers Medwin and Lowy later this year, the going-away present he most fancies is one of the framed Confederate State Bonds hanging in the partners' snug. So strong is his fancy, I hear, that one of fellow partners is said to check daily for empty spaces on the wall.

Medwin, alas, will not stay in business as long a Steve. It is to cease trading on May 9 and the partners will move to Wedd Durlacher Mordaunt, the City's biggest jobbing firm, in a merger which spells the end of the Square Mile's oldest stock jobber.

Medwin set up shop in 1863 jobbing in Confederate bonds to help finance the Southern states' struggle to maintain European links in the face of the damned Yankees.

Ironically it is the prospect of a 20th century British invasion of the U.S. which has led to the fall of the firm. As exchange controls have been lifted the amount of money involved in the City's transatlantic adventures has grown so large that Medwin had no choice but to find a partner like Wedd with muscle enough to finance the assault.

Padding up

And now, as the television news-readers sa yafter disseminating an undiluted dose of riot and destruction, cricket . . . Despite a slow puncture developing in the market for cricket memorabilia, London auctioneers Phillips are going ahead on May 14 with a grand auction aime dat those with bats on the brain.

The interest of potential buyers is likely to be focussed on the celebrated cricket library of Sir Pelham "Plum" Warner, MCC hero and captain of England, who died in 1963. His son, Esmond, is disposing of the collections which [illegible] century of Wisdens, estimated worth between £3,000 and £5,000, and a rare volume *The Laws of Cricket*, written in 1774 by "a Committee of Noblemen and Gentlemen" from the countries that matter when it comes to cricket.

But this will fetch, it is thought, only £500. And despite its reputation among cricket lovers, the collection altogether is estimated to be worth only £10,000. Phillips acknowledges that since its first specialised cricketana auction in 1978 the market has sagged somewhat.

"Prices then were phenomenal," says a spokesman. "By and large people didn't realise quite how many objects there were connected with cricket." Dealers were thin on the ground, and not many more are expected for the sale next month. Marcus Halliwell, who is in charge of the auction, foresees the participation of numerous "schoolboys and things" of the general good value in the field of framed scoreboards, menus, and W. G. Grace effigies. "You can," he says, "pick up a signed cricket bat for £15. A new one costs you £40."

Banker's playtime

The Bank for International Settlements, the central bankers' bank in Basle, has built up a well-deserved reputation for doling out belt-tightening advice to deficit spending governments.

But when it comes to a little celebration, the BIS does not believe in half-measures. As part of its 50th anniversary festivities taking place at the June annual meeting, the bank is flying in at lavish expense one of the world's top symphony orchestras, the Amsterdam Concertgebouw, for a one-night stand before an audience of invited central bankers and functionaries.

The idea is believed to be the brainchild of music-loving Dr. Jelle Zijlstra, who combines the jobs of president of the BIS and governorship of the Dutch central bank.

The programme includes Rossini's well-worn William Tell overture, a work for strings and woodwind by the 20th century composer Hindemith and Brahm's first symphony—a programme, according to my man in the stalls, which is "surprisingly imaginative" for the central banking set.

Spreading the bug

The problem of persuading enough Germans to man the humming Volkswagen assembly lines at Wolfsburg has led the Federal Republic's leading carmaker to adopt some unconventional new recruitment methods.

When its Itali n workers return home across the Alps for their annual holidays this summer they will be armed with a special voucher allowing each to sign up one new VW employee.

About 400 new workers were recruited with vouchers last year and VW has found that when new foreign employees already have relatives at work in Wolfsburg or elsewhere, the process of settling in is made much easier.

The new system is thought an improvement on the tendency of Italian workers to return from their holidays with a sun-tan and a varying band of friends and relations

Clashing symbols

Wobbling doggedly along the Presidential campaign trail, Edward Kennedy was in Mexico this week, hoping to catch the eye of the Hispanic voters back home. Long regarded as a friend of the Mexicans for his kindly attitude to "wetback" illegal imigrants, he was understandably nonplussed at a cosy gift exchange ceremony with President Jose Lopez Portillo, who gave him a silver plate inscribed with a plumed serpent—emblem of Quetzalcoatl. "It was a symbol for my campaign," the President said with a broad grin, "but I don't think it will be of any use to you."

Constant stable

I discover there is a curious connection between a 19th century Surrey landowner and the Companies Court at the Royal Courts of Justice.

In 1892, Mr. Justice Vaughan Williams, who had estates at Leith Hill in Surrey, was appointed the first judge to deal soley with company cases in the High Court.

His lordship, a keen huntsman, kept horses which were broken in for him by a local farmer named George Baker. Georges father worked on the judges estate, and Georges son still remembers walking horses home to Leith Hill after they had been broken in.

Nowadays there are four judges assigned to the Companies Court. Their chief clerk is John Baker, Georges gradnson. Who said tradition was dead?

Observer

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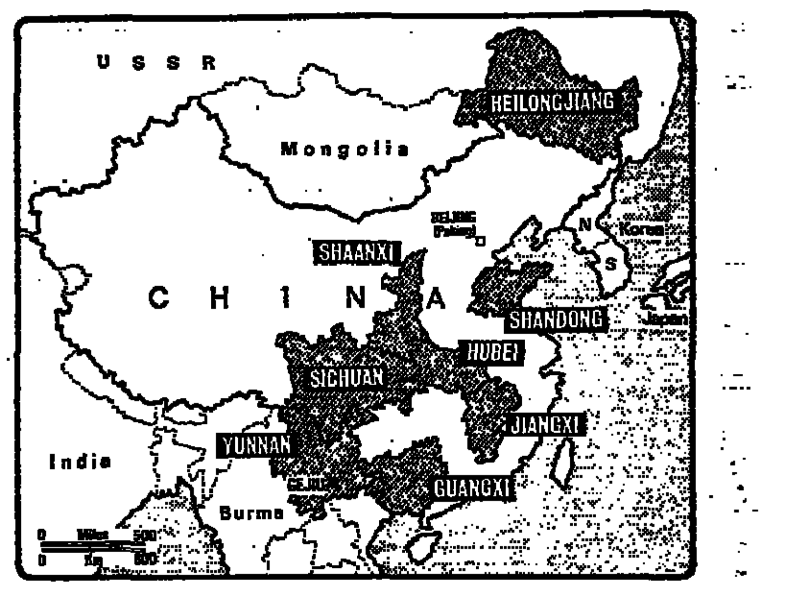
China goes gold hunting

By PAUL CHEESERIGHT and COLINA MacDOUGALL



HEADY EXPECTATIONS that major Western mining groups could win rich pickings in China have been dashed. It is not that China has abandoned hopes of a massive growth of its mining sector. It is rather that China itself has realised there is no easy way to pay for its ambitions; that the economic infrastructure is too fragile and that development priorities have shifted.

Yet shortage of cash has meant that there is one constant element in China's plans: the programme to develop gold production. Output this year could be worth about $650m, assuming average prices of $400 an oz.

Some 20 years ago the State Council directed that there should be "a massive development" of gold production in order "to meet the expenses of national economic development and to increase the means of accumulating foreign currency." Such needs have become more acute as the pace of economic development has quickened and as foreign expertise and equipment have become increasingly involved.

Certainly, the tapping of China's abundant natural resources is fundamental to the industrial programme, and gold is singled out as a priority for development, as a string of foreign visitors to China testify. Relatively low capital development can produce a quick cash flow for a product of quick cash flow for a product of small internal importance. All gold produced goes automatically to the People's Bank of China, whose interventions on the international market in the past have been few but are now likely to increase.

In international terms, however, output is modest: Consolidated Gold Fields has estimated production to be at the upper end of the 30-60 tonnes per annum range. This puts China's production doughly on the level of Canada's, but still less than that of the biggest South African mine, Vaal Reefs.

But production should increase during this decade, as the discoveries of the past few years are developed and as output is expanded at new mines. Links have been forged with western groups. Davy McKee, a Davy Corporation, U.S., unit, has won contracts for engineering studies at two mines in Shandong. Alluvial Dredges of Paisley hopes to sell equipment for developments further north. Gold Fields has started technical discussions with the Chinese authorities.

The four main gold provinces of China are Shandong, Heilongjiang, Hubei and Guangxi, but new projects are under way in Sichuan, Shaanxi, and Yunnan. Indeed, the Chinese claim to have found gold in all the 27 provinces or autonomous regions.

There is, by all accounts, plenty of opportunity for an expansion of output, and, according to Mr. Michael Beckett, a director of Gold Fields: "It would not be too fanciful to look for a 50 per cent and possibly even a 100 per cent increase in Chinese gold production by the 1990s."

Such an increase will go some way towards alleviating the payments difficulties for foreign development contracts. When the Chinese first realised the full extent of their foreign exchange shortage a year ago, they began pressing enthusiastically for counter-trade agreements under which the foreign supplier would be paid in the product which he would market. In practice this has proved difficult to implement because of pricing problems. The Chinese are now contemplating the use of credit.

These uncertainties have tested the patience of the throng of western companies queueing up for negotiations in Peking. But some contracts have been signed, reflecting Chinese concern about crucial shortages of copper and aluminium. In 1978 Chinese non-ferrous imports were about $450m, with copper and aluminium accounting for $200m each. (Mineral exports, mainly tin and tungsten, reached only $150m.)

Two large deals in these areas have gone ahead. One is for the Japanese aluminium refinery in Guangxi, which is being built by a group headed by Nippon Light Metals. It will have a capacity of 80,000 tons of primary aluminium a year and cost $150m. The other, the contract for designs and equipment for huge copper mines in Jiangxi, is with the U.S. company Fluor. This contract was expected to lead to orders worth $800m. When complete the mines are to produce 190,000 tons of ore a day.

Other discussions on non-ferrous plant are still in progress. American firms, including the giant Alcoa, are negotiating projects in zinc, nickel, tungsten, aluminium and bauxite.

British companies are trying to put together packages covering mining, transport and marketing. This is proving difficult since the Chinese seem to prefer to deal direct with the mining companies, though lack of experience makes it difficult for the Chinese to assess what best suits China's needs.

In France, Pechiney Ugine Kuhlmann have discussed an aluminium refinery and in Switzerland Alusuisse have a preliminary memorandum. The deal with the West German Metallgesellschaft, which in 1978 proudly announced it had got a contract for 22 non-ferrous plants, is officially still in negotiations. However all these projected deals appear to be going slowly.

Part of the trouble, from a western point of view, is that China has made non-ferrous mineral production a lower priority. Development ambitions generally were scaled down in early 1979 and it has since become clear that coal and steel are being given greater emphasis by China's planners than non-ferrous minerals. It looks unlikely that Chairman Hua Kuofeng's previously stated aim of nine new non-ferrous complexes by 1985 will be met.

This is not to say that expansion is unlikely—merely, that it will not take place as quickly as once envisaged. Indeed the industry has shown considerable growth. A UK Institution of Mining and Metallurgy (IMM) mission to China last autumn was told that between 1949 and 1979 the number of non-ferrous plants had increased from 20 to 700.

The IMM was further told that copper production was running at 300,000 tonnes a year, aluminium at 400,000 tonnes, both lead and zinc at between 250,000 and 300,000 tonnes and nickel at 20,000 tonnes. Such figures are higher than many western observers had previously estimated. But it is not clear whether the recent rise in production represents simply a recovery from the economic ravages of the Cultural Revolution or, rather, is a result of development plans.

> **"The tapping of China's abundant natural resources is fundamental to the industrial programme and gold is singled out as a priority for development, as a string of foreign visitors to China testify"**

What is not in doubt is that China has the mineral resources to sustain growth, and eventually to be self-sufficient.

But precision is difficult. The IMM was told by Mr. Gao Yangwen, Vice-Minister for the Metallurgical Industry, whose ministry coordinates the production of most metals, that China has reserves of 1bn tonnes of bauxite, 50m tonnes of copper, 50m tonnes of zinc, 7m tonnes of nickel, 100m tonnes of rare earth oxides, 400m tonnes of titanium dioxide and "vast" quantities of rare minerals like tantalum and niobium.

To what extent these reserves represent economically recoverable assets remains obscure. China has never been free with mineral statistics and Western analysts have been forced to piece together information and assessments available from before 1970, with often vague official announcements of the last three years about new discoveries and the observations of expert visitors. But the pre-1970 information remains the base.

A synthesis of this earlier information is contained in a document, so far unpublished in the UK, held by Geosystems of London. Embaracing information from USSR and U.S. sources it puts bauxite reserves at roughly the level mentioned to the IMM by Mr. Gao. It estimates that China has 50-55m tones of manganese reserves although these are unfavourably distributed in relation to steel making capacity, that lead reserves are bigger than those in Australia and second only to the USSR, that China has the largest magnesium reserves in the world, and that there is a future export capacity in molybdenum.

More recently, Mr. Sun Daguang, director of China's Geological Bureau, has said that China has deposits of wolfram, antimony, copper, surphur and phosphorus which are among the largest in the world.

Realising this vast potential, however, poses severe internal problems. Even within the mining sector different projects and different minerals have to compete for scarce funds: and the sector itself has been eclipsed by the authorities who favour agriculture and light industry where the pay-off is quicker.

The size of the country alone is an immense handicap. Communications are poor, with many rich deposits located in the far west or southwest at the end of a thousand miles of single-line railway track. Rail transport has not kept up with the growth of industry and is already overburdened.

Besides, the railways are crucially important for military transport to the frontier areas, especially near China's most important tin source, the mines at Gejiu in Yunnan province. These are only 50 miles from the Vietnamese border. It is indicative that the recently acquired foreign technology is mainly destined for central and eastern provinces such as Jiangxi and Shandong, relatively near the industrial heart of the country and the coast.

The shortage of electric power is equally serious. It is needed particularly for processing aluminium. Much existing industry is already unable to work at full capacity for lack of power. The shortage stems partly from insufficient coal and oil, production of which has levelled off in the past two years, and partly from too few power stations.

Although Chinese engineers can build power stations, they have not been able to do so quickly or effectively enough and Peking has looked to foreigners to help out. The Chinese have contracted for several recently from Japan and Europe, but these will only dent the overall problem. They are discussing a hydroelectric scheme with a U.S. team for Guangxi province where a Japanese aluminium refinery is already being built, but it will take many years for this to come on stream. All the infrastructure for a growing power industry will also be needed.

Management, research and development are conspicuously handicapped by the lack of trained people. Numbers of technicaly skilled personnel are inadequate either for an expansion of the industry or for making use of existing plant.

Although much of the equipment is outdated by Western standards, going back to the Japanese ocupation of the 1940s and the pervasive USSR influence of the 1950s, some Western observers have concluded that it is adequate, given the large labour force available.

The problems arise in areas like the inefficient layout of treatment plants, the lack of adequate ore-sampling techniques to provide an even feed of material for the mills, and the insensitive use of equipment.

The Chinese, of course, are aware of such problems. Indeed, their awareness that production could be increased, often by bringing into play Western management techniques, goes a long way towards explaining the obvious aim of obtaining as much free information as possible from visitors without buying new equipment.

Letters to the Editor

Inner city housing

From the Chairman, Iseldon Housing Trust

Sir,—I was interested to read Gillian Darley's article (April 28) about the Soho Housing Association. The association must be one of the few specially concerned with housing people near their work, with the object of preserving part of an inner city's economy.

Until recently housing association activity has been overwhelmingly directed to "special needs" of a welfare kind or to providing general housing in parallel with that provided by local authorities. Even now, with a greatly reduced allocation, the Housing Corporation, in its circular of March 28, proposes concentration on the elderly, the disabled, small hostels and special projects with emphasis on "caring management" and rehabilitation in stress areas to revitalise inner city housing conditions. Nothing is said about revitalising the economies of inner cities, although Government emphasis on helping small businesses might be expected to lead to more attention to the needs of key workers.

In the inner city area of Islington and Hackney, there is a substantial problem of young economically active people having to leave the area if they want to get married and have a home of their own. Young single people needed for jobs in the boroughs also cannot find anywhere to live, even in hostel type accommodation. Yet small employers are desperate for skilled workers and so is London Transport whose problems are creating the difficulties for late workers to which you refer.

For years the criteria for obtaining council accommodation have been based on "need" rather than economic utility, ie the points system has favoured the old, the ill and htose with a number of small children. These criteria are entirely justified when one considers the appalling conditions in inner cities, originally brought to the public's attention in the Milner Holland Report. But unless some attention is given to the requirements of skilled workers and of the economically active, inner city areas will be unable to finance the huge burden of welfare needs, even at the high rate levels now being levied.

Costs are bound to be higher in inner city areas and this has to be allowed for. Moreover, there is a good deal of unused accommodation over shops, but technical and legal problems have to be overcome in order to exploit it, and this requires urgent administrative and legislative work by the central authorities. The Minister of Housing has recognised this, but there is nothing about it in the Housing Bill. Some better paid workers could be helped to acquire homes by shared ownership schemes. To get them on their feet means encouragement and co-operation from the Department of Environment and the Housing Corporation. The sale of council houses in an area of this kind can, of itself, hardly be of much use. If anything it will tend to reduce mobility.

Thus the Government's objectives of economic recovery and of greater efficiency call for a substantial shift in priorities and a streamlining of administrative procedures to help those organisations which are actually trying to help the recovery of inner cities.

A. K. Ogilvy-Webb.
Isledon Housing Trust,
133 Upper Street, N1.
Sggozlsl. sbrdlu nu nu shrdl r

The levels of fair rents

From Mr. R. Kitzinger

Sir,—It is gratifying that Mr. H. N. Darling (April 22) agrees that the application of the fair rent legislation is in a hopeless muddle. It is all th more regrettable that the debate on the Housing Bill has been guillotined, with the result that this opportunity of clearing up the muddle will probably be missed.

It is also common ground that the Rent Act has kept rents at too low a level to encourage the provision of residental accommodation for letting. Furthermore the protection which sitting tenants have been enjoying has no doubt resulted in their occasionally keeping larger flats or houses than they require in changed circumstances. The Rent Act has thus aggravated the shortage of accommodation for letting or for sale, and my objection to the judgment in Mason v. Skollary is that it makes the vacant possession value (which has been inflated artificially due to the fair rent legislation) the basis of "fair rents."

Mr. Darling does not seem to have grasped this point any more than Susan McCulloch (April 22) or R. Jensen (April 23), although Mr. Darling does recognise that a literal application of Mason v. Skullary would produce "ridiculous" results.

Mr. McCulloch rightly draws attention to the 40 per cent deduction for "scarcity" in Mason v. Skullary, but the word scarcity does not occur in the Rent Act. The Act speaks of excess of demand over supply, and as a price cannot increase without such excess. The Rent Act thus laid down that rents could not be increased. In practice rent assessment committees have ignored this provision as well as Mason v. Skullary, but my argument is, and has always been, that if Parliament passes an absurd Act Parliament should amend it and not leave it to the law courts or tribunals to make sense of it.

R. Kitzinger.
31 Ockwood Court,
W.14.

Index-linked mortgages

From Mr. D. J. Roaf.

Sir,—Mr. Heath-Saunders April 26) criticises my support for index-linked mortgages because I apparently assume continuing geometric increase in inflation. But index-linking does not depend on any predictions about inflation. Index-linking removes inflationary (and deflationary) distortions from long-term contracts. Certainly one hears more about index-linking (which Mr. Heath-Saunders calls a gimmick) when inflation is rapid, because then the distortions are most obvious. But if inflation stopped completely, an index-linked mortgage would be an ordinary mortgage.

Mr. Heath-Saunders is predicting interest rates like those in the 1930s. If he is right, index-linking will do no harm. If he is wrong, index-linking would help both borrowers and lenders — without needing Government subsidies.

D. J. Roaf.
Exeter College, Oxford.

Tough times on £10,000 a year

From the Chairman, Reward Aegional Surveys.

Sir,—Your front page article "Tax policy hits middle manager" will, no doubt, receive enthusiastic assent from many of your readers. In fact, the effect of the recent budget has, as was apparently intended, been virtually neutral in its impact on executive salaries from £5,000 to £50,000.

It is clear, however, that the plight of the £10,000-a-year executive with a significant mortgage is very serious. In the year to January he did, for instance, ned a 27.1 per cent increase to maintain his living standards over that 12 months. The most significant problem he facel and stil lfaces is the 15 per cent mortgage interest rate, which, assuming a three-bedroomed detached private house of a 70 per cent mortgage of around £22,000, was costing him £3,723.

Peter M. Brown.
1, Mill Street, Stone, Staffs.

Absolute liability

From the Head of Consumer Affairs, National Consumer Council.

Sir,—I a msorry to have to take issue once again with the CBI about product liability, especially since Mr. Bryan Rigby (April 24) declares that the CBI does not—and never has—opposed the principle of strict liability for defective products on the basis of the insurance costs involved, and since he agrees that U.S. experience is of little help because of the very different legal and social atmosphere there. The problem is that the issue of principle he finds difficult seems not to be an issue of principle at all in this country. Liability for defective products has been strict here since the 19th century. The consequences that the CBI fears have had plenty of time to manifest themselves. They have not done so.

What is being proposed is that the protection now enjoyed by the purchasers of a product through their contract with the retailer should be extended to other people who use or who are affected by the product, and should rest on the manufacturer.

No new question of principle about the strictness of the liability is involved. What is at issue is to whom it should extend. Consumer organisations remain convinced that it is wrong in principle for the ultimate user to carry, uncompensated, the consequences of loss or injury caused by defects in products. The loss should be carried by the person best able to prevent it: the manufacturer.

Maurice Healy,
National Consumer Council,
Queen Anne's Gate, SW1.

Banking unions

From the General Secretary, National Westminster Staff Association

Sir,—The letter (April 25) from Leif Mills, general secretary of the Banking Insurance Finance Union, raises several important issues which deserve a reply if only to correct certain inaccuracies.

Industrial action by BIFU in support of the parity claim for messengers with the maintenance engineers took place while negotiations were still in progress with NatWest Bank and your readers will judge whether the improvement for 17 messengers aged under 30 with less than two years' service, for whom negotiations were in any event continuing between the bank and both staff bodies, was a worthwhile achievement, the other elements of the final settlement were contained in an offer to both staff bodies prior to the strike action.

This brings into perspective our instructions to members to cross picket lines and work normally. We were not in dispute with the emeployer and negotiations continued on our claim lodged prior to that of BIFU and essentially the same as theirs, seeking parity between messengers pay scales and those of maintenance staff. We regard the actions of BIFU as totally irresponsible, creating as it did, widespread disruption to customers and staff, and lowering to an unprecedented level the standard of industrial relations in the banking industry.

The use of the bank's communication facilities is open to both staff bodies, subject only to acceptance of the content by the bank and the normal inter branch postal communication system is used freely by both BIFU and ourselves. As Dr. Johnston said in his report on staff representation in the major London clearing banks, independence of the staff associations is a "non issue" but yet again BIFU are raising this hoary subject having officially challenged our independence on three separate occasions and each time it having been proved that their allegations were unfounded.

The statement that BIFU wanted the Johnston talks to succeed contains only the slightest element of truth in that they were seking throughout a "takeover" of the staff associations. It is a matter of record that the staff associations accepted Dr. Johnston's "Mark II" report, which was prepared at the request of the parties involved on a "take it or leave it" basis whereas BIFU did not, despite their public posturing and attempts to mislead banknig staff into believing that they were prepared to accept this report. The three staff associations are currently in the process of forming the Clearing Bank Union, based firmly on Dr. Johnston's proposals and a ballot of members will take place within the next month. These proposals to amalgamate carry the full support and recommendation of the associations' policy making bodies and if accepted by the membership wil lenable CBU to be formed around mid July.

C. Carthy.
8-10, Dean Park Crescent, Bournemouth, Dorset.

Todays's Events

U.K.: Mr. James Callaghan, Opposition leader, addresses Amalgamated Union of Engineering Workers policy conference, Blackpool.

Mrs. Shirley Williams speaks at Glossop.

Mr. Michael Foot, Opposition deputy leader, speaks at May Day rally, Paddington.

Sir Peter Gadsden, Lord Mayor of London, greets steam locomotive Invicta at Mansion House on 150th anniversary of Canterbury and Whitstable Railway

Princess Anne opens Bradley's show village, and Clover Leaf Giftware factory and offices, Swindon.

Post Office announces details of major improvement programme for telephone service.

Prince Charles speaks at Electronic Engineering Association dinner, London.

Local government elections in England and Scotland.

Man's place in evolution exhibition opens at Natural History Museum, Cromwell Road, SW7.

Exhibition of treasures from the archives of the National Postal Museum opens at Romano House Gallery, Strand.

Overseas: The Queen's state visit to Switzerland continues.

Engineering Industries Association mission arrives in Bulawayo, Zimbabwe, for international trade fair opening tomorrow.

PARLIAMENTARY BUSINESS

House of Commons: Debate on reports by Public Accounts Committee.

House of Lords: Debate on reports on trade policy, the Tokyo Round, and on energy objectives.

OFFICIAL STATISTICS

Energy trends. Consumers' expenditure (first quarter—first preliminary estimate). Building society house prices and mortgage statistics (first quarter).

COMPANY MEETINGS

Allen Harvey and Ross, 45 Cornhill EC, 12.30. Beatson Clark, Hallam Tower, Sheffield, 12.30. James Dickie (Drop Forgings), Victoria Stamping Works, Somerset Road, Ayr, 12. Montford (Knitting Mills), Grand Hotel, Leicester, 12. Ransomes Sims and Jefferies, Nacton Works, Ipswich, 3. Woodhouse and Rixon, Tapton Hall, Shore Lane, Sheffield, 11.45. Yorkshire Chemicals, Kirksall Road, Leeds, 12. Yule Catto, New Bond Street House, 1 New Bond Street, W, 12.

BATs edges forward in face of strong sterling

THE STRENGTH of sterling and higher interest rates held growth in pre-tax profits at BAT Industries over 1979 to 2 per cent—from £435m to £443m on sales of £7.23bn. against £6.84bn. Although still by far the greatest contributor to group results, tobacco showed a 3 per cent decline at the operating level owing to adverse exchange translation.

Because of a change of year end the comparative figures are unaudited—taxable profit for the 15 months to December 31 last was up from £433m to £560m. Turnover for this period rose to £8.92bn (£6.72bn).

For the 1979 calendar year tax was lower at £171m (£185m) leaving stated earnings per 25p share ahead 4.3p at 71.5p, or, fully diluted, at 67.6p (62.2p). The group has declared a first interim for 1980 of 6p (4.84p).

At constant exchange rates over the year sales would have been £407m higher and operating profit £35m more. Attributable surplus, reported up at £245m (£226m), before a £57m (£54m) retention for inflation, would have been £18m better.

At year-end borrowings were up from £876m to £966m and cash and current investments stood at £406m (£456m).

An analysis of turnover and operating profit of £525m (£505m) by industry shows: tobacco £4,240m (£4,477m) and £329m (£338m); retailing £1,724m (£1,455m) and £42m (£26m); paper £702m (£569m) and £81m (£62m); packaging and printing £232m (£162m) and £17m (£13m) and other activities £330m (£181m) and £56m (£66m).

Tobacco volume showed an overall increase and turnover and trading profit both improved in local currency terms, although the strength of the pound adversely affected exports from the UK.

A good 1979 Christmas season in the U.S. was a factor in the improved performance of the retail operations, with Saks and Gimbels both reporting higher turnover and profits, and in the UK, International Stores returned to profitable trading.

The results from paper reflect the improved performances in Wiggins Teape and Appleton and the inclusion of the latter for a full year.

Mardon Packaging International which now comprises the packaging and printing sector of the group's industrial activities continued to perform well, but, as this company did not become a subsidiary until November 1979, this is not fully reflected in group results.

In retailing, which produced a 62 per cent advance in operating results—the largest of any division—the Argos Catalogue Showroom chain has matched its profit expectations since acquisition in May 1979, the directors say.

The UK food retailing market remained extremely competitive but International Stores was able to maintain volume and restore trading profitability. Performance was also helped by the purchase of MacMarkets.

In the U.S., the results of Appleton, acquired in June, 1978, are included for a full year. This and the growth in its profit account for 70 per cent of the overall increase in paper division profits. Appleton has continued its substantial growth.

For Wiggins Teape Group, trading profits increased by 10 per cent to £53m with the major proportion of this increase coming from the Continental European operations. Results from the Belgian-based Idem operation were particularly outstanding, BAT says.

In the UK, although paper sales advanced by almost 11 per cent on 1978, profits were only marginally improved, mainly reflecting a combination of adverse economic and trading conditions.

In other activities the results for Pegulan, the home improvements business in Germany, in which a majority holding was acquired during the year, are consolidated for the first time. Trading results here showed a satisfactory improvement on the previous year.

In cosmetics turnover increased 12 per cent in sterling terms but operating profit remained unchanged at £6m with better results from Germaine Monteil in the U.S. being offset by poor results from Yardley in the UK and in Canada.

	1979 £m	1978 £m
Sales	7,228	6,844
Trading profit	466	441
Investment income	59	64
Operating profit	525	505
Interest paid	82	70
Pre-tax profit	443	435
Tax	171	185
Net profit	272	250
Minorities	27	24
Attributable	245	226
For inflation	57	54
Dividends	60	50
Other retentions	128	122

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HIGHLIGHTS

On a confused day for interest rates and currencies—the rise in German rates is in direct contrast to the recent trends in dollar and Sterling money rates—Lex discusses the immediate prospects. The biggest company reporting yesterday was BAT Industries where pre-tax profits in calendar year 1979 were £443m against £435m. Lex also looks at a trio of discount houses reporting yesterday, two of which went into the red, and the column also analysis the LASMO annual report. On the inside pages a number of companies come in for comment, the largest of which is Telephone Rentals, while the bid scene remained fairly active with a U.S. deal by European Ferries and Waring and Gillow coming up with an improved offer for Maples.

Discount houses suffer setbacks

THREE MORE discount houses have announced a setback in results, for the year ended April 5, 1980.

Profit of Smith St. Aubyn and Company Holdings is down for the period, and Jessel, Toynbee and Company, and Gerrard and aNtional Discount Company both incurred losses, compared with profits previously.

A downturn of more than £6m has left Gerrard and National with a loss after tax of £1.12m for the period, compared with profits of £5.01m. ut the dividend total is lifted from 9.124p to 11.5p net with a final of 6.5p.

The deficit includes subsidiaries' profits of £52,000 compared with £571,000, including minority interests, last time. The profit for 1978-79 was also struck after a transfer to inner reserves.

Net proceeds of the sale of the Astly and Pearce Group were taken directly to inner reserves during the year. A transfer of £1.5m has been made from inner reserves to general reserve, representing the retained profits of Astley and Pearce which had been incorporated in disclosed group reserves while it was a subsidiary.

Disclosed shareholders' funds now stand at £25.1m (£28.1m), and inner reserves at a higher level than previously.

After tax, rebate provision and a transfer to contingency reserves in Smith St. Aubyn, profit was £1.1bn against £1.5bn for Smith St. Aubyn Holdings.

The dividend is stepped up to 8p (5.546p) net with a final payment of 4.5p per 25p share.

At Jessel Toynbee there was a loss of £50,000 after providing for rebate, tax recoverable and all expenses, compared with a £942,133 profit which was also after a transfer to contingency reserves.

A final payment of 2.875p lifts the dividend total to 4.625p (3.649p) net per 25p share.

The amount taken forward was £550,789 (£1.21m).

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Hugh Mackay trims staff

AFTER TAKING a realistic view of manning levels, the board of Hugh Mackay and Company, carpet manufacturer, has made 110 employees redundant, Mr. J. Mackay, the chairman, told the annual meeting.

He said the first two months of the current year had shown losses, but the company moved out of the red in March. Steps taken last autumn have resulted in current liquidity being substantially better than in the year-end accounts.

Although trade is very difficult, he said the board ocntinues to react in a positive and realistic manner. He said the improvement in the March figures and the improved liquidity resulting from de-stocking are encouraging and underlined the justification for all that the board was doing and planning.

Clifford Industries recovery

WITH second-half trading profits of £15,889 against a loss of £244,000, Charles Clifford Industries, metal manufacturer and sprayer, finished 1979 with a surplus of £230,889 compared with a loss of £171,319. Turnover rose from £9.7m to £11.88m.

As forecast, the year's net dividend is 7.5p after a final of 4.5p—no distribution was made in 1978 or 1977.

After exceptional debits of £42,700 (£299,593), profits at the pre-tax level were £188,189 (£470,912 loss).

A tax charge of £43,220 (£65,326 credit) and extraordinary debits of £115,269 (£160,249) leave the attributable balance at £29,700 (£565,835 loss). Earnings per £1 share are shown as 10.7p (44.3p loss).

● **comment**

The showing from Charles Clifford is, without a doubt, disappointing. Against the previous year's loss, a profit is welcome. But in the second half of 1979 the company just broke even. The engineering strike hit hard at this producer of extruded wire and other metals the company says it forfeited about £200,000 on this score. Interest charges were up £50,000 to around £300,000 and the group's overdraft continued a tclose to £2m. Clifford is now half-way through its two year, £1.5m rationalisation and reorgnaisation programme, financed via Government grants, overdraft and its recent rights issue. But immediate prospects remain bleak. The order book is thin and the company may have to cross its fingers to produce encouraging figures by the interim stage. As forecast, the total net dividend is 7.5p, yielding a reasonable 12.2 per cent, albeit uncovered. The p/e on stated earnings comes to 8.

BLUE CIRCLE AGM POSTPONED

Blue Circle Industries' annual meeting, due to be held on May 29, has been postponed because of the printing dispute. The second interim at same rate as final, which has been cancelled, will be paid on June 11.

WILLIAM PRESS

William Press—Colguy Holdings has acquired 6,670,000 ordinary (5.579 per cent).

Slight improvement for TR

PROFITS OF Telephone Rentals, adversely affected by external industrial disputes and disappointing results from two subsidiaries, show a slight improvement from £10.92m to £11.27m for 1979, on turnover ahead from £36.12m to £39.86m.

For the first quarter of the current year both new sale and the rental business were well in advance of the same period last year, the directors state, and provided the group and its suppliers remain free from industrial disputes, they are confident that 1980 will be successful and encouraging.

	1979 £000	1978 £000
Turnover	39,860	36,116
Rental	21,400	19,083
Sales and other	18,460	17,033
Depreciation	4,252	3,769
Trading profit	10,584	10,347
Associates' share	272	261
Interest received	415	312
Pre-tax profit	11,271	10,920
Tax	3,538	3,346
Minorities	33	63
Extraord. credit†	397	—
Attributable	8,097	7,511
Dividends	2,911	2,529

† Net proceeds of property sales.

Earnings per 25p share are shown as 19.84p compared with 19.35p, and a final payment of 5.7p lifts the total dividend to 7.5p (6.517p) net.

There was an extraordinary credit of £397,000 for the year, being the net proceeds of property sales.

● **comment**

Telephone Rentals is set to produce very good first half profits this year. The engineering strike at the end of last summer has simply deferred installations into the current year. Moreover, new orders taken in the first quarter, for both sale and rental business, have been well in advance of the comparable months of 1979. Finally, the first fruits of the decision to index link its 14 year rental contracts, probably masked by industrial disputes last year, should now be coming through strongly. The second half, and events thereafter, are more difficult to predict. The group has seen no tangible sign yet of a UK downturn but if the shares are to retain their obvious current strength, the first indication that a timetable has been set for the relaxation of the Post Office monopoly on peripheral telecommunications equipment may well be required. The market has taken the view that Telephone Rentals could undercut the Post Office quite substantially and, while profits were right in line with earlier unofficial forecasts, a 4p rise to 205p yesterday begins to suggest that the prevailing mood is again more optimistic than neutral. Certainly, a fully taxed p/e of 14.3 and a yield of 5.3 per cent are saying that the group will not be swamped by U.S. and Japanese competition once the monopoly is broken.

Steetley

THE MINERALS and refractories side of the Steetley Company had been badly hit this year by the steel strike, which had cost the company nearly £4m in lost profits, Mr. T. G. Boardman, the chairman, said at the annual meeting. However, he was confident of a quick recovery.

Indications were that the benefits from the Gibbons Dudley acquisition would exceed expectations at the time of the offer, he stated. In the UK construction materials were ahead of budget and chemicals were also more profitable.

A. Stanley rises by 54% and confident for 1980

RECORD SALES and profits for 1979 are reported by A. G. Stanley Holdings, the paint and wallpaper retailing group. The pre-tax surplus rose by more than 54 per cent to £2.98m, on sales over 76 per cent higher at £38.24m.

The net total dividend is effectively increased by 53 per cent to 2.5p (1.633p), with a final of 1.5p.

Mid-term profits were well ahead at £1.24m (0.75m).

Mr. Malcolm Stanley, chairman, says that in the first 16 weeks of 1980, group sales of Stanley and recently acquired Morris and Blakey Wall Papers increased by 41.2 per cent over the same period last year.

He adds that although it would be unwise to be over-optimistic, the group can face the rest of the year with confidence.

Earnings per 5p share are given ahead from 5.98p to 11.38p for 1979.

Tax charge was lower at £167,367 (£659,000). There was an extraordinary debit this time of £1m, representing costs of acquisitions during the year and the goodwill written off in, and on, the acquisition of, Morris and Blakey.

Excluding the contribution by Morris and Blakey, purchased last July, turnover and profits of the original A. G. Stanley Holdings Group during the year were 50.1 per cent and 45.3 per cent higher respectively.

Morris and Blakey's pre-tax profits fell sharply to £100,442 (£400,037) for 1979, including £86,522 (£76,460) surplus on property sales. Turnover amounted to £11.07m (£10.59m).

There was a tax credit of £284,153 (£202,529 charge). Extraordinary debits of £733,064 include £447,511 goodwill written off on consolidation, and £35,553 costs relating to the acquisition.

● **comment**

Stripping out the first-time 12 month contribution from the Berger outlets (about £200,000) and six months from Morris and Blakey (£173,000), A.G. Stanley has seen organic growth of just over a third at the pre-tax level. The group's overall sales volume was up at least 20 per cent and this seems to have continued into the first quarter of 1980. Stanley is well established in the High Street and should have a total of 300 wall-paper and paint emporia by the year end, an opening of some 30 shops. The acquisition of Morris and Blakey resulted in a write-off of £1m last year, but this business is worth about £4m in assets and should contribute a healthy sum to current year earnings. Stanley's total net dividend was up 53 per cent, yielding 5 per cent at 74p, up 4p. The p/e comes to 12.8 on a full tax charge.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A. Caird	10	—	9.27	10	9.27
BAT Inds. int.	6	July 1	4.84	—	22.34‡
Cent. and Sheerwood	0.91	June 13	0.7	1.66	1.38
Chas. Clifford Inds.	4.5	—	Nil	7.5	Nil
Comfort Hotels	0.37	—	0.3	0.55	0.45*
Common Bros. int.	5.0	May 30	4.0	—	12.0
Fundinvest int.	1.79	May 31	1.2	—	3.15
Gerrard and National	6.5	—	5.12	11.5	9.12
T. C. Harrison	2.03	July 2	1.69*	2.95	2.46*
Hawthorn Leslie int.	1.5	July 2	1.25	—	3.25
P. C. Henderson	5.75	July 1	3.12	8.0	4.82
Jessel Toynbee	2.88	June 12	2.77	4.63	3.65
Minty	6	July 11	4.25	9	5.9
N. Atlantic Secs. int.	1.75	May 29	1.2	—	3.75
Scottish Heritable	1.5	July 2	0.57*	2.5	0.92*
Smith St. Aubyn	4.5	June 12	3.05	8	5.55
A. G. Stanley	1.5	June 16	0.97*	2.5	1.63*
Telephone Rentals	5.7	July 7	4.8	7.5	6.52
Turriff Crpn.	3.75	—	2.91	3.75	2.91
Uniflex Hldgs.	1.5	—	3.07	1.5	3.07
Whatman Reeve	1.9	—	0.91*	3.5	2.26
Ayrshire Metal	5	May 30	3.29	7	5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months.

Setback at Uniflex: pays less

WITH second half pre-tax profits falling from £538,000 to £234,000, Uniflex Holdings, furniture manufacturer, reports figures for 1979 as a whole down from £772,000 to £505,000 from turnover up from £20.26m to £24.11m.

After tax of £2,000 against a credit of £115,000, profit attributable was £509,000 (£882,000) and stated earnings per 10p share are lower at 21.28p against 37.46p. The dividend is down from 3.07084p to 1.5p. Waivers on 1,747,728 (nil) shares have been made.

Comfort Hotels £1m advance

DESPITE a jump in interest charges from £593,499 to £1.33m, Comfort Hotels International has pushed taxable profits to a record £2.5m for 1979, compared with £1.34m. Turnover has surged to £18.5m, against £8.25m previously.

The directors state that turnover so far in the current year shows a useful improvement over 1979, and advance bookings indicate a satisfactory year.

At the interim stage profits had risen to £1.12m (£621,000) and directors said that while high interest rates would make their mark on profits, outlook for the rest of the year was encouraging.

Stated yearly earnings per 10p share are shown as 3.82p (3.07p) and the dividend is effectively raised to 0.545p (0.453061p) with a final payment of 0.365p.

Tax for the year took £602,389 (£253,440) and there was an extraordinary debit of £1.26m (£642,972), representing the final loss on Cityhus, the property investment in Copenhagen sold in March.

The Rainbow Suite and Kensington Exhibition Centre is now operational. A number of successful functions have already been staged and advance bookings are encouraging.

A lease was taken on January 1 of the Alkmaar Comfort Inn, Alkmar, Netherlands, which comprises 92 rooms.

● **comment**

Without any indication of City's contribution, it is difficult to be precise about Comwort's underlying performance. However, the results suggest that after taking account of the hefty interest charge, there is a small increase in profits. On the hotels side, Comfort appears to have done slightly better than other groups. This is because it operates in the two-to three-star market and tourists have been trading down from the more expensive hotels. Nevertheless, occupancy rates showed a marginal downturn but this was offset by an 11 per cent tariff increase during the year. Comfort has also had some success in improving the ratio of business traffic through its London hotels. Elsewhere, the 20 Strikes restaurants are coming through strongly. For the short term, though the high level of gearing makes group prospects heavily dependent on the movement of interest rates. At 23½p, the fully-taxed p/e is 10, while the yield is 3.4 per cent—a fair enough rating within the sector.

Whatman Reeve downturn

TAXABLE PROFITS of Whatman Reeve Angel, laboratory supplies concern, fell from £1.01m to £739,973 in 1979, on turnover £1.07m ahead at £11.67m.

The surplus was struck after increased interest of £369,891 (£228,308), and £26,000 towards the employee share participation scheme.

Midterm taxable profits were down from £652,000 to £476,000.

The net total dividend is raised to 3.5p (2.262p adjusted), with a final of 1.9p—the directors increase in the payment.

Earnings per 25p share are given as 15.4p (15.32p), after a sharply reduced tax charge of £122,667 (£411,155).

SPAIN

April 30	Price %	+or−
Banco Bilbao	207	−1
Banco Central	222	−2
Banco Exterior	206	
Banco Hispano	204	−1
Banco Ind. Cat.	125	
Banco Madrid	143	
Banco Santander	245	−2
Banco Urquijo	140	
Banco Vizcaya	213	−2
Banco Zaragoza	200	
Dragados	86	−4
Espanola Zinc	60	
Fecsa	59.7	
Gal. Preciados	26	−1
Hidrola	64.2	
Iberduero	58	−0.5
Petroleos	102	
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	63	−0.2

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BIDS AND DEALS

Maple rejects higher offer from Waring

BY ARNOLD KRANSDORFF

Waring and Gillow (Holdings), the furniture retailer, has made an increased and final offer for its High Street competitor Maple and Co. (Holdings), amounting to almost £10m.

The offer is about 16 per cent higher than the previous bid and "reflects Maple's updated property revaluation which was not made available to us before," said Mr. John Cussins, Waring and Gillow's managing director.

Late last night Maple rejected Waring's advances. Mr. David Keys, the company's chairman, said: "We still feel the offer is unacceptable. They clearly want something on the cheap and I could not recommend such an offer to shareholders."

The terms of the new offer are one ordinary share of Waring, plus 312p cash, for every 12 ordinary shares of Maple. There is als a cash alternative of 35p per Maple share.

Waring says Maple shareholders will be entitled to receive and retain their recommended final dividend of 1.25p for 1979/80. The terms of the offer for Maple preference shares remain unaltered—73p per share cash.

The offers have been extended until May 21. Waring is being advised by J. Henry Schroder Wagg and Maple by Morgan Grenfell.

J. F. NASH SELLS HOTELS OFFSHOOT

J. F. Nash Securities, in accordance with its stated policy of concentrating activities in motor manufacturing, packaging and engineering, has sold its subsidiary, McCoy Hotels, to Seven Seas Finance for £186,000 cash.

In addition to the consideration, Nash received loan repayments of £37,000 which have been used to reduce short-term borrowings.

Borrowings of McCoy Group amounted to £376,000 at September 30, 1979, so that the sale has resulted in a total reduction of £599,000 in the borrowings of Nash and its subsidiaries.

NEB starts to evaluate Fairey offers

As the closing date for offers for Fairey Holdings was reached yesterday the controversy over ownership of the company was no nearer to being resolved.

The National Enterprise Board said that it had received "certain offers" which it was now in the process of evaluating. The NEB said "it is our intention to reach an early decision which will . ... be subject to Secretary of State formal consent.

Apart from Doulton and Co., the S. Pearson and Son subsidiary, the identity of the new bidders was not known. Doulton confirmed yesterday that its bid had been presented but would not disclose the value. Mr. Patrick Meaney, managing director of Thomas Tilling, which was understood to be very interested in Fairey, declined to comment yesterday.

Trafalgar House, which was beaten by the NEB in the original bid to buy Fairey from the receiver, yesterday ruled itself out as a possible participant in the contest. Mr. Victor Matthews, the deputy chairman and chief executive, said that his company was "not now interested" in Fairey. Trafalgar had looked at the company but decided that the likely asking price was too high in the present economic climate.

Hambros said it would reserve its position until the details of the bids were known. But the company, which is prepared to pay a little more for Fairey, said that it would like the opportunity to produce "something to satisfy the taxpayer and Fairey."

LE VALLONET TST. FORMS SUBSIDIARY IN CANADA

Le Vallonet Investment Trust Company has formed a new 90 per cent-owned subsidiary—Helier Resources—in Alberta, Canada, to participate in oil and gas exploration and drilling programmes in North America. Le Vallonet has agreed to fund Helier by way of loans amounting to C$225,000.

Helier has agreed with Atlantis Resources of Calgary to subscribe C$250,000 for a participation of about 5 per cent in a joint venture consortium for oil and gas exploration and drilling in Canada and the U.S. managed managed by Atlantis as operating company. The programme is scheduled for 1980-81.

One-half of Helier's subscription is to be provided immediately, and the remainder on January 1, 1981.

Mercantile House goes on £5m U.S. spending spree

Mercantile House Holdings, the money broking group which came to the market last July, is spending $11.5m (£5.1m) to acquire three New York financial brokerage companies and a Chicago commodity and financial futures broker.

Of the New York companies, Fundamental Brokers Inc. is a broker in U.S. government and federal agency securities; JPC Brokers Inc. is a broker in GMNA mortgage certificates; and Primary Clearance Corporation licenses a computerised clearing service for transactions in U.S. government securities.

All three are owned by the J. P. Cabot Equity Corporation and had aggregate pre-tax profits of $3.5m in the year ended August 31, 1979. Total net tangible assets are expected to be about $750,000.

Mercantile House has agreed to pay $8.5m for the three, subject to an inspection by auditors Price Waterhouse. Mercantile bought Lasser Marshall Inc., its existing New York money broking subsidiary, from Cabot in 1977.

The Chicago commodity and financial futures broker, Woodstock Inc., had pre-tax profits of some $950,000 in 1979 and net tangible assets are expected to be about $1.5m. Mercantile has agreed to pay $3m cash for it.

The financial futures market is having an increasing effect on the foreign exchange and deposits broking businesses, so Mercantile House wants a direct position in it, Mr. John Barkshire, chairman, said.

The planned takeovers have passed a U.S. anti-trust law review and will be submitted to Mercantile House shareholders for approval. The company has arranged temporary dollar loan financing to cover most of the cost and has been assured by its bankers that availability of the funds will not be affected by the U.S. Federal Reserve's international efforts to prevent foreign takeovers of U.S. companies with borrowed dollars. Permanent financing will be decided later.

Mercantile House reported pre-tax profits of £1.4m on turnover of £9.4m in the six months ended on October 31, 1979.

Hambros raises drilling tools offer to £7

The City battle for control of Drilling Tools North Sea a small oil and gas industry service group, intensified yesterday.

Having seen its earlier offer of £6.10 topped by ICFC's £6.50 a share bid, Hambros Bank has now returned with a bid of £7 a share worth £2.4m. This includes the £840.54 offered for each of the restricted number of "A" shares.

It already owns around 35 per cent of Drilling Tool, together with the National Coal Board pension fund. ICFC, the industrial investment concern, also owns over 12 per cent of the company through its Plumcloud subsidiary and has irrevocable acceptances for its offer from holders of another 20.8 per cent. It also has the backing of the Drilling Tool board which is recommending the offer.

HILL SAMUEL SELLS L.-A.C.S.

Hill Samuel Group, the merchant banker with large insurance and investment management interests, is disposing of its computer service subsidiary, Lowndes-Ajax Computer Service (L-ACS) in a deal expected to be worth around £2.9m.

The computer service company is being bought by Groupe CIG, a data processing company whose shareholders are Societe Generale de Banque, Union Miniere and Belgonucleaire. Groupe CIG was formed in 1969, and operates extensively in Belgium.

Hill Samuel said yesterday that the consideration will be cash, the final amount being based on the audited accounts of L-ACS at March 31, 1980.

L-ACS provides UK and overseas companies with computer services from its main centres in Croydon and Warrington. Its assets include a 60 per cent interest in Metra Lowndes-Ajax and a 30 per cent interest in Voor Automatisering I.V.A. BV of Rotterdam. In the year ended March 31, 1979, L-ACS made profits before tax of £447,000. It has net tangible assets of approximately £0.6m.

The net proceeds of the sale will be employed within the operating divisions of Hill Samuel, and are not expected to have a material effect on group profits.

COPE ALLMAN IN COMPUTER SOFTWARE

Cope Allman International, whose sales last year from packaging, engineering, fashion and leisure totalled £180m, is paying £411,000 for 90 per cent of the computer software business of Counting House Computer Systems. The purchase price is being satisfied largely through the issue of variable rate loan notes but also contains a £38,000 cash element.

Net assets of Counting House at October 31, 1979, were £105,000 while in the 12 months to that date the company reported net profits before tax and excluding extraordinary items of £100,000.

SOBRANIE

Sobranie (Holdings), the tobacco, laundry and engineering group, will show a trading loss for the year to February 29, 1980 of approximately £198,000, before tax of £58,000 and extraordinary losses of £345,000.

Members of the board and their families representing 55.54 per cent intend to vote in favour of the resolution for the disposal of interests to Gallaher.

Grand Met: 'insider' allegations

Liggett, the U.S. tobacco and drinks group which is fighting a $415m takeover bid by Grand Metropolitan, has asked a U.S. federal court in Delaware to block the bid, alleging that it contains "false and misleading statements" in violation of the Securities Exchange Act of 1934.

Grand Met is also accused of breaching its fiduciary duty to Liggett stockholders by buying Liggett shares with the benefit of confidential and material inside information that it did not disclose the sellers of the shares.

Liggett argues in the suit that Grand Met has failed to explain the effect of various court hindrances on its $50 a share offer launched on April 18. "As a result of the confusion, investors can't even tell whether an offer is occurring, will occur or won't occur," it says.

Grand Met has said its offer is to expire on May 15 unless extended.

Liggett also claims that Grand Met intends to liquidate "most, if not all" of the U.S. company's non-liquour assets, and would use the proceeds to pay for the purchase of Liggett's drink interests alone.

Meanwhile, in other legal developments, a hearing has been set for May 15 on Grand Met's application to a Delaware State Court for a preliminary injunction preventing Liggett from following through with an agreement to sell its Austin Nichols drinks subsidiary to Pernod Ricard of French for $97.5m. The court refused last week to grant Grand Met a temporary restraining order on this issue.

BRITISH MOHAIR

Following British Mohair Spinners' rejection of merger proposals put forward by Allied Textiles, British Mohair said yesterday that Allied bought 675,000 of its equity in the middle of April. The holding represents 5.87 per cent of British Mohair's equity.

British Mohair's Board said that they were first approached last autumn but decided that the suggestions lacked commercial logic and would not be in its shareholders' interests. They added that Allied was not informed of their view and that no further contact had been made with Allied.

F. H. BURGESS/ NORRINGTON

The offer from Frederick H. Burgess for Henry Norrington and Son, has been accepted by over 90 per cent of the stock units for which it was made.

Burgess intends to acquire compulsorily the outstanding minority in the company.

BET £0.38M LAUNDRY DEAL

Two laundry companies owned by British Electric Traction, the diversified industrial group, have agree to combine their activities in a £384,000 deal.

This will be done through a bid of 18p cash per share by Advance Laundries, of which BET owns 81 per cent, for Richmond Park Laundry Company, 93.3 per cent owned by the group.

Advance has managed Richmond Park on BET's behalf for many years and has granted it an agency for Advance linen hire, health and hygiene services in Glasgow and the west of Scotland.

Shareholders in Richmond Park will still be entitled to the 1.45p ordinary dividend declared fo rlast year. As well as owning the bulk of Richmond's shares. BET also owns all of its £150,000 7½ per cent preference capital. The group has undertaken to accept the share offer and to sell Advance its preference holding.

SEDGWICK BUYING BANKART

Sedgwick, a wholly-owned subsidiary of Sedgwick Group, the UK's largest insurance broker, has reached an agreement in principle to acquire the holding companies of Bankart Midlands and Bankart Northern, both insurance brokers operating in Leicester and Manchester respectively for many years.

The cash consideration, yet to be determined, will not exceed £1m.

After completion of the deals, the business of Bankart Midlands will form the basis of a new East Midlands region of Sedgwick UK, in which the company will trade under the name Sedgwick Bankart.

HARRIS QUEENSWAY/ HENDERSON-KENTON

Harris Queensway now holds 94 per cent of Henderson-Kenton, and the offer has been declared unconditional in all respects.

Acceptances of the offers have been received for 92.8 per cent of the ordinary shares and 92.9 per cent of the preference. The offers remain open for acceptance until further notice, except that the cash and shares alternative no longer applies.

Harris intends to acquire compulsorily all the outstanding Henderson-Kenton shares.

A resolution to approve the reorganisation of Henderson-Kenton's capital has been passed at an EGM.

Euroferries deal cuts bank loans

European Ferries has concluded a deal concerning the future of its $250m property development scheme in Denver, Colorado.

Under a new deal around $20m will be received from two investors which will largely discharge European Ferries' loans of $21-$22m from the Royal Bank of Canada.

In addition one of the parties to the agreements—the property development subsidiary of a major U.S. insurance company, understood to be Aetna—will put into joint ownership some 90 acres of land immediately adjoining that already owned for commercial development. Around 40 acres of land will have a participation by another investor, a private property group, which is putting up $10m.

Some 180 acres will remain in the sole ownership of an associate of European Ferries and will be available for sale or development.

European Ferries said yesterday that "at this stage it is not possible to estimate accurately the amount of development profit which will accrue" to the group. "It is, however, likely that such profit to be received in the next seven to 10 years will be very substantial." Mr. Keith Wickenden, European Ferries' chairman, said last night that the profit "would likely exceed the present market capitalisation of the group."

European Ferries undertook the project as a joint venture with Vace Securities, a family owned Colorado property company. It will take five to 10 years to complete, and provide 5m sq ft of offices, shops and housing on a 300-acre site just south of Denver.

AGB RESEARCH

AGB Research has completed the acquisition of 60 per cent of Langton Information Systems by purchase of shares for £160,000 and a subscription of £50,000 for new shares.

Arrangements have been made which will enable AGB to acquire the minority interest in the future.

Langton operates a computer software business from London, specialising in application of computers to information handling and publishing.

KCA plans to go offshore drilling

KCA INTERNATIONAL is forming a new subsidiary to build offshore drilling units. The group says it is discussing with British Shipbuilders the placing of a contract for the building of four semi submersible drilling rigs.

KCA which earlier this year made a successful offer for sale of shares in its subsidiary, Berkeley Exploration, plans to place 80 per cent of the shares in KCA Offshore Drilling with outside shareholders. The management of the company will remain with KCA.

Mr. Paul Bristol, KCA's chairman, claimed last night that each of the rigs would cost around £40m. The equity base of the company would be about £20m. On top of this, he hoped to secure institutional and bank loans, as well as assistance under the Industry Act.

He said that he had discussed the project with management and unions of British Shipbuilders, and had received "an extremely positive comeback from both sides."

GRIMSHAWE BUYS SABRE MOTOR

Grimshawe Holdings has acquired the tangible assets and goodwill of Sabre Motor Accessories from the receiver of Tenk Products for £140,000 cash.

Sabre manufactures a range of plastic moulding products, such as door guards and switches, for sale to the retail motor accessory market, including major chain stores. Nearly one half of its annual sales of £650,000 have been exported.

Grimshawe has bought the interest as professionally valued in the leasehold property (nine years unexpired at an annual rent of £12,250), plant, fixtures and fittings, moulds, patents and the name and goodwill of the business.

BIFURCATED BUYS JEB FASTENERS

Bifurcated Engineering has completed negotiations for the purchase of Jeb Fasteners, a private company, for £412,000 satisfied by the issue of some 450,000 ordinary shares and cash.

Pre-tax profits of Jeb were £63,000 for the year ended April 30, 1979, and net assets at that date totalled £339,000.

Directors say the acquisition is complementary to Bifurcated's existing distribution interests, and will enable a wider range of products to be distributed.

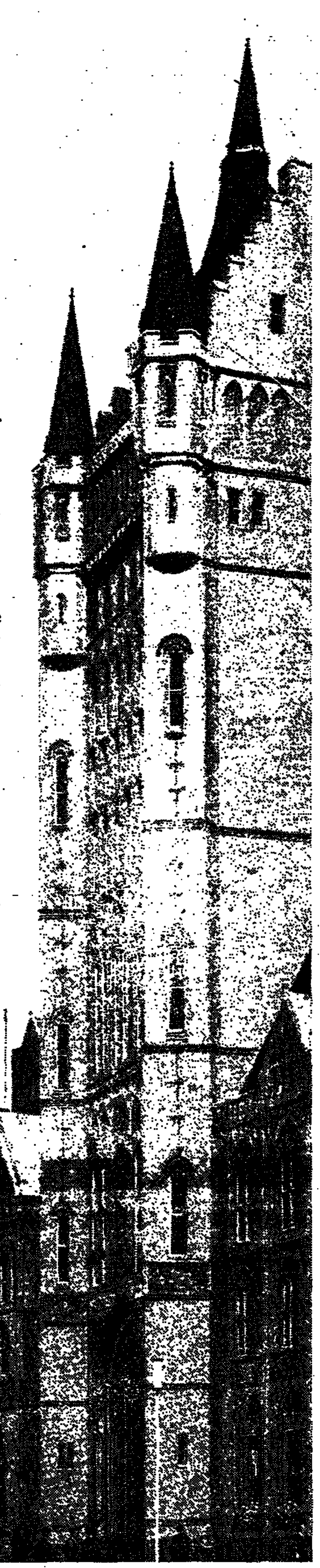
RACAL/AUTOMATED SECURITY DEAL

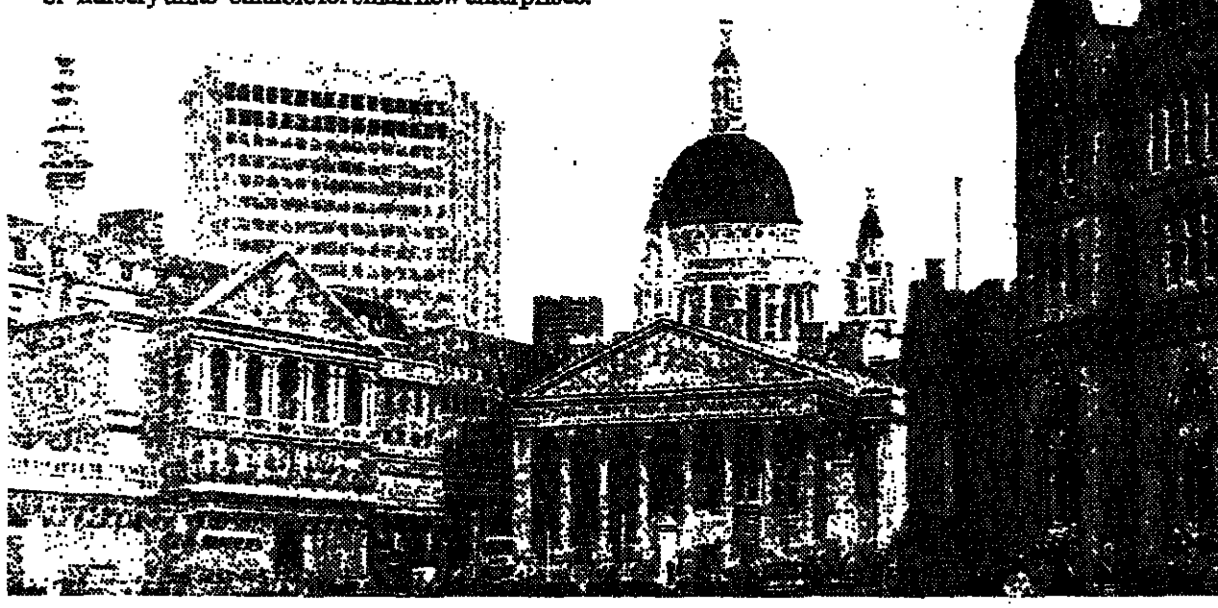
Racal/Vikonics Inc., an American subsidiary of Racal Electronics and Automated Security (Holdings), has reached agreement for the exclusive distribution by Automated of Racal/Vikonics' complete security products line for the UK and Spanish markets.

AMSTEEL BUYS WALL ENGINEERING

Amsteel Group, the structural steel holding company, has agreed cash terms for the purchas of the Wall Engineering Company of North Walsham, Norfolk. The shareholders and directors of Wall, which was founded in 1948, will retain full responsibility for the day-to-day running of the business.

This acquisition will make Amsteel one of the larger companies in the industry with a group turnover of more than £10m.





Strikes and high interest hit Central & Sheerwood

STRUCK after higher interest of £1.95m against £764,000, pre-tax profits of Central and Sheerwood, engineering, printing, publishing and financial services group, were cut back from £5.53m to £4.72m for 1979. Turnover expanded by nearly £12m to £82.06m.

Results for the second half—profits were £2.53m (£2.79m)—were affected by the engineering strike which cost the group over £1m. The directors say that the improved order position of the main engineering companies, and the continuing strength of the other operating sectors suggests that the momentum of continued growth, interrupted in 1979, will be restored.

Turnover and trading profits, ahead at £6.67m (£6.29m), include results of White Young and Partners for five months, amounting to £2.08m and £562,000 respectively, but exclude the £2.07m and £223,000 respectively, from Andrew Valentine Holdings, which was disposed of during 1979.

Earnings per 5p share are shown as 7.13p (6.36p) and the dividend is stepped up to 1.655p (1.379p) net with a final of 0.905p.

There was a tax credit of £203,000 (£1.22m charge) and minority interests of £60,000 against £169,000. After deducting pre-acquisition profits of £136,000 (nil) the belance came through at £4.73m compared with £4.14m.

There was an extraordinary credit of £232,000 (£8,000 debit) and the amount retained was £3.74m (£3.18m).

• comment

Central and Sheerwood made £2.5m pre-tax in the second half despite the £1m cost of the engineering dispute but is it fair to say that annualised profits are thus running at a rate of £7m? All that can be said at this stage is that the group is confident of renewed growth this year. The companies within the Newton Chambers division currently hold better than expected orders, although the position could be a lot better, and Ransomes and Rapier has enough work to last through 1980. Again, the picture could look brighter but the important U.S. market now seems somewhat more encouraging. Holcombe, boosted by high demand for solid fuel heating and sourcing for Ford's new Erika model should go well again this time and the first valuable inroads are being made into European manufacturers' component schedules. Distribution, the only "flier" last time, is expected to go well this year with further growth from Photopia and the shortfall in printing is more than made up for by the loss of Valentine's income. The acquisition of a high margin consultancy business in White-Young provides a possible clue as to the direction the group is preparing to take but doubled borrowings which stemmed from a high year end stock position may act as a temporary brake on any significant further purchases. For the moment, the shares are solidly based on a fully taxed historic p/e of 7.2 at 25p and the fulfilment of Newton Chambers' expectations could leave the rating someway behind events.

Lake View earns and pays more

REVENUE OF Lake View Investment Trust came out ahead at £2.15m, against £1.55m, for the year ended March 31, 1980, after tax up from £880,498 to £1.08m

The dividend is lifted to 4.25p (3p) net per 25 pshare with a final payment of 2.5p.

Earnings per share are shown as 4.75p compared with 3.41p, and total income amounted to £3.64m (£2.82m).

	1979-80 £	1978-79 £
Income	3,635,285	2 823 377
Pre-tax revenue	3,230,532	2 427 949
Tax	1,077,415	880,498
Net revenue	1,153,117	1,547,350

Common Bros. expects £1.9m

A TURNROUND from losses of £336,000 to profits of £650,000 for the eight months to February 29, 1980, is reported by Common Brothers, the shipping concern, and the directors expect that the full-year surplus will be over £1.9m, compared with losses of £111,000 last time.

Interim profits were struck after depreciation of £261,000 (£245,000), and interest received of £490,000 (£159,000 payable). No provision for tax was required because of unused allowances brought forward.

The atributable balance came through at £650,000, against £233,000 including £570,000 surplus on sale of assets.

The net interim dividend is raised from 4p to 5p—last year's final was 8p.

The directors say rates for product tankers were good during the period under review. However, MV Simonburn (previously MV Kurdistan) did not re-eenter service until December 1, 1979, and the other two vessels were drydocked in aggregate for three months of the period.

For practical purposes, therefore, earnings reflect the operations of tow vessels only during that time. The vessels are continuing to operate on the spot market at remunerative rates, they add.

Pochin's down £21,000 at six months

For the half year ended November 30, 1979, turnover of Pochin's, building and civil engineering contractor, rose from £6.76m to £7.33m but the taxable surplus was down at £252,248, compared with £273,404.

The directors are reasonably satisfied with the results and say there is a healthy workload for the immediate future.

The interim dividend is unchanged at 0.875p net per 25p share—last year's final payment was 8.125p paid from pre-tax profits of £725,000.

Rowe & Pitman plans office in Boston

The U.S. subsidiary of Rowe and Pitman, the London stockbrokers, is planning to open an office in Boston, Massachusetts, next month.

A spokesman said the move was "to meet the requirements of a growing number of U.S. fund managers who are pursuing a policy of international diversification, and to provide a comprehensive service to U.S. institutions on economic performance and share markets outside the U.S."

Rowe and Pitman first opened an office in the U.S. in San Francisco in 1978.

Caird lower despite second half recovery

Despite showing a recovery in the second half, pre-tax profits of A. Caird and Sons, the Dundee clothing and sports goods manufacturer, fell by £109,934 to £61,660 in the year to January 31, 1980. At the halfway stage, the company reported a loss of £18,400 against profits of £20,400 in the previous year.

After tax down from £25,660 to £15,224, stated earnings per £1 share are 22.96p (43.73p), and the dividend is raised from 9.2698p to 10p.

United Capitals expects to pay over 20p

THE EGM to approve the voluntary winding up of United Capitals Investment Trust will be held on May 21, and the liquidator is expecting to make cash distributions of over 20p per share. In the case of one unlisted investment, Parkfield Foundries, the shares may be distributed to shareholders *in specie*.

The company has been selling its investments in unlisted securities, and the liquidator hopes to make a first capital payment of 20p within one month of the special resolution being passed.

As well as Parkfield, the company has an interest in another unlisted undertaking, Newport Precision Engineering. The directors value these holdings at £244,000 and £37,548 respectively.

Birmingham Mint offshoot to close down

Mint Components, a subsidiary of Birmingham Mint, is to close down on June 27, 1980 and approximately 60 employees will be made redundant

The company, which manufactures nameplates and trim, has been affected by declining demand from its customers in the domestic appliance and automotive industries.

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P. C. Henderson upsurge: lifts dividend to 8p

WITH PROFITS for the year ended March 1, 1980 showing an advance of £765,000, the P. C. Henderson Group of sliding door gear makers is beating its dividend forecast. Steps are also being taken to enfranchise the "A" non-voting shares and to attain trustee status.

At the half-way stage profits had risen by £97,00, and for the full year have moved up to £2.77m, compared with £2.01m. The final dividend is 5.75p to make the total 8p net; this goes against a forecast of 6.5p and a total of 4.816p paid for 1978-79. Earnings rose from 24.2p to 35p per share.

	1979-80	1978-79
	£000	£000
Sales	29,330	24,342
Profit	2,777	2,012
Taxation	1,214	962
Net profit	1,563	1,050
Fixed assets	5,037	4,725
Net current assets	4,467	3,917

The directors state that the results reflect the effect of operating nearer to capacity, and also the improvements in areas of low profitability and loss makers as a result of management action.

In particular UK industrial door activities doubled profits and this improvement is expected to continue, albeit at a less spectacular pace.

Overseas companies all produced better results, with only two showing losses. They feel, however, that all overseas companies are "still a long way" from producing adequate returns and further improvement remains a priority.

Strict financial control has been maintained, resulting in a reduction in gearing from 27 per cent to 15 per cent.

In recognition of the increasing unpopularity of non-voting shares, the directors propose to enfranchise the "A" non-voting shares and give them the same voting rights as held by the ordinary. As compensation for the dilution of their rights, ordinary holders will receive 1-for-10 scrip issue.

It is also considered desirable that the capital be increased to £1m with a view to obtaining full trustee status. A scrip issue will be made under which all shareholders will, in place of the 10p shares held at the time, become holders of an equivalent number of 25p shares.

● comment

A neat package of enfranchising the non-voters, a dividend 1½p higher than forecast and a 38 per cent profits advance had the desired effect on the shares yesterday. The ordinary rose 29p to 127p and the "A" 21p to 118p. Prior to yesterday's announcement the share price was looking cheap and if the company is hoping to expand by acquisition and/or make a rights issue to cover capital spending projections of £1m thsi year plus higher working capital requirements, a bit of "banging the drum" is called for. Share price considerations apart Henderson has obviously had a very good year. The second half in particular was buoyant with a 52 per cent profits rise. Industrial door profits doubled to around £600,000, overseas operations improved, though htere were a couple of loss makers in Australia and Germany but this year these should be in the black. Henderson admits the building sector could go through a difficult period but half its garage doors are replacement and its diy products for sliding cupboard doors etc. are well placed while there are plans to introduce a major new product line. A p/e of 3.2 and yield of 10.3 per cent (covered twice on a CCA basis) is still a very modest and, perhaps vulnerable, rating.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—United Wris. Wemyss Investment.

Finals—Aberdeen Construction, Henry Boot, Davies and Newman, Guardian Investment Trust, Highcroft Investment Trust, Hunting Gibson, Martin-Black, John Mowlem, Newarthill, Platignum, Save and Prosper Linked Investment Trust, Shiloh Spinners, J. O. Walker, W. Williams.

FUTURE DATES

Interim—

Richards .... May 9

Finals—

Berec .... May 16
City of Oxford Investment Tst. May 13
Coats Patons .... May 13
Inter-City Investment .... May 2
Owenstone .... May 2
Trust Union .... †May 7

† Amended.

T. C. Harrison profits reach record £3.76m at year end

AS EXPECTED, taxable profits of T. C. Harrison, Ford main dealer, have finished 1979 at a record level. On turnover well up at £71.26m against £56.06m, the surplus has risen to £3.76m, compared with £3.05m.

At midway, with profits ahead from £1.58m to £2.03m, the directors were confident of the future and expected 1979 to produce record results.

The directors say that nationally, new car deliveries for the first three months of 1980 were at a record level, but group profits for this period show a slight decrease, compared with last year, due to tighter margins, continuing high interest rates, and the effects of the steel strike.

Stated yearly earnings per 25p share are 4.6p up at 23.8p and the total dividend is effectively increased to 2.95p (2.4583p) with a 2.03p final.

The attributable balance emerged ahead from £2.89m to £3.85m, after tax of £173,000 (£155,000) and an extraordinary credit of £260,000 (nil).

Profits from the car division moved ahead by 30 per cent to £1.57m, representing 42 per cent of group profit, and the commercial vehicle side increased its contribution by 48 per cent to £500,000.

The earthmoving division improved profits to £814,000, a 22 per cent rise, despite the uncertainties experienced by the construction industry .
fig7 etaoin shrdlu cmfwy ... £££

● comment

The Harrison board is not being particularly generous to shareholders in offering a dividend more than eight times covered with the balance sheet showing gearing down to 20 per cent. But that aside, the news is encouraging. Earlier expectations have been met, where other distributors have reported markedly dull second halves. Car division margins are slightly up for 1979, but with the turn of the year a freer availability of Fords coupled with BL price-cutting has tightened the screws. The agricultural division continues to be depressed, and while it may just hold its ground this year, any recovery is unlikely until 2981. Margins are three points tighter on hire purchase and leasing, which accounts for almost all Harrison's borrowings. But with much of the business on a fixed-interest basis, any fall in interest rates will bring the money in. For the current year, profits growth is likely to be slight. The fully-taxed p/e is 4.5 on a yield of 7.8 per cent at 56p unchanged.

Scottish Heritable progress

TAXABLE PROFITS of Scottish Heritable Trust, property investor and distributor of floorcoverings and hairdressing supplies, improved from £1.09m to £1.33m in 1979, in line with the board's forecast that the second-half surplus would exceed the interim level of £0.56m.

A final dividend of 1.5p lifts the net total to 2.5p compared with an equivalent 0.92p.

The profit is struck after sharply increased interest charges of £455,057 (£250,003), unallocated group expenses of £103,960 (£132,260) and associates' debits of £9,191 (£70,477 profit).

After tax of £180,893 (£11,456), earnings per 25p share are shown as 13.08p (10.65p).

Minorities take £91,756 (£209,163) and an extraordinary credit of £5,508 (£214,637 debit) leaves the atributable balance at £1.07m (£0.65m).

Turriff picks up to £1.4m

INCREASED second-half profits more than offset the mid-year downturn at Turriff Corporation, and 1979 finished with taxable surplus ahead from £1.24m to a record £1.37m. Turnover of the engineering and contracting group was £7m higher at £39m.

The directors had warned at the interim stage, when profits were £336,000 (£455,000), that the company may have difficulty in achieving the previous year's figure.

The dividend is raised 29 per cent from 2.9085p to 3.75p net for the year. Earnings per 25p share are given as 29.2p (23.2p).

The tax charge was lower at £76,000, compared with £215,000, but there was an extraordinary debit this time of £558,000 including a £498,000 provision against a certified debt with a national company in Iran.

Ayrshire Metal advances

WITH A profit improvement throughout most of the group, Ayrshire Metal Products, light engineering and steel fabrication concern, announces a taxable surplus up from £1.41m to £1.83m for 1979. Turnover moved ahead to £16.63m against £14.68m.

And the dividend is boosted to 7p (5p) net per 25p share with a final payment of 5p.

The directors feel, however, that the present economic climate makes forecasting for the current year very difficult.

At halfway profits had risen by £256,000 to £781,000.

Full-year's tax charge took £367,000 compared with £505,000 leaving a net profit of £1.46m against £907,000.

Good trading for Ladbroke

Publication of the Ladbroke's accounts has been delayed by the printing industry dispute and, in the meantime, the proposed final dividend of 6.05p per share has been replaced by a second interim of the same amoun which will be payable on May 28.

When published, the report will show that fixed asset spending in 1979 amounted to £51m, net assets per share have risen 223p after a revaluation surplus of £22.5m and net funds employed of £235m include cash and near cash of £13.5m.

Gearing, chairman Mr. Cyril Stein stresses, has dropped to 47 per cent and major elements of borrowing are in the traditional field of property development and asset leasing. Debt in the remainder of the group is nil.

The chairman adds that "our businesses are generally immune to downturns in the economy. This is because large parts of our revenue derive from leisure spending and, although this can be affected by a decrease in disposible incomes, the leisure industries are generally the last to suffer. The pattern of trade in 1980 has been good."

GRAMPIAN HLDGS. AGM POSTPONED

The annual general meeting of Grampian Holdings, which was to have been held on May 23, 1980, has been postponed because production of the annual report has been delayed by a printing dispute. A new date will be announced as soon as possible.

NURDIN & PEACOCK LTD

THE Cash and Carry WHOLESALERS

PRELIMINARY ANNOUNCEMENT

	1979	1978
Dividends		
Ordinary shares, proposed	2.1p per share	1.1879p per share
(Payable on 4th July, 1980, to shareholders on register at close of business on 4th June, 1980.)		
Already paid	1.5p per share	0.87p per share
Making a total of	3.6p per share	2.0579p per share

	1979 £000	1978 (Restated)† £000
Turnover	281,258	237,811
Profit before taxation	7,053*	5,435
Taxation	717	740
Profit after taxation	6,336	4,695
Amounts absorbed (net of waivers)		
(i) By Preference dividends paid and provided	3	3
(ii) By Ordinary dividends paid and proposed	976	563
	979	566
Earnings per share before taxation	24.5p	18.9p
Earnings per share after taxation	22.0p	16.3p

† The tax charge has been reduced from £1,157,000 to £740,000 due to the change in the treatment of deferred taxation on accelerated capital allowances.

* The profit for 1979 is after making an additional allocation of £600,000 into the Pension Fund and providing £371,000 for the Staff Share Participation Scheme.

STATEMENT BY THE CHAIRMAN

Mr. W. M. Peacock, M.A.

I am glad to be able to report that the twelfth year's trading of your Company as a Public Company once again shows record sales and profits. Sales of £281,258,000 have increased by £43,447,000 over the figure of £237,811,000 achieved in the previous year. Profits of £7,053,000 before taxation show an increase of £1,618,000 over the previous year's figure of £5,435,000. Profits after taxation are £6,336,000 compared with £4,695,000 for the previous year as re-stated for deferred taxation (see below).

The corporation tax charge on this year's profits is £856,000 which compares with £877,000 payable last year. You will see from the notes to the accounts that there has been a change in the accounting policy on deferred taxation as it relates to tax allowances receivable on fixed asset expenditure. This is to comply with the revised Accounting Standard on this matter. It is considered that corporation tax payable by the parent company will continue to be deferred in the foreseeable future by these tax allowances. The deferred taxation of £1,461,000 provided up to last year has therefore been written back as a prior year item and the 1978 tax charge adjusted accordingly. If deferred taxation had been provided this year on the same basis as previously, the tax charge on the profit would be increased by £225,000.

Your Directors are recommending a final dividend of 2.1p per share. This together with the interim dividend of 1.5p per share already paid makes a total for the year of 3.6p per share and compares with 2.0579p per share for 1979. I have again waived the dividend on my own shareholding.

As I stated in my interim report, we made a better than usual start to 1979, due mainly to the very hard winter which highlighted the value of neighbourhood shops. This led to a very good first half for both sales and profits. The sales increase in percentage terms was constant throughout the year which meant that in volume terms, because of the rise in the inflation rate as the year progressed, the latter half was not quite so buoyant as the first half. This is reflected in the profit figures as well, which show a bigger percentage increase in the first half.

Our Wine and Spirit business showed substantial growth throughout the year as did the Non-Foods. It would appear that our customers are showing much more awareness of the benefits to be gained from stocking a range of Non-Foods where the higher margins help to maintain their profits at an acceptable level. The introduction of our Blaumeister range of German wines in 1979 was a real success story and sales continue to be extremely good.

The replacement Branch at Brighton opened on 15th October as planned and the increased sales since provide the clearest indication of how much the extra facilities were required.

We have made an encouraging start to 1980 bearing in mind the highly competitive situation on the Grocery side of the business which has been given fresh impetus this year. There is evidence that the multiple trade have rationalised their range considerably during the past year or so, with the result that freedom of choice has to some degree been lost to the consumer. Our decision to build large Branches, enabling us to stock a very wide range, has given our retail and catering customers opportunities to provide that all important freedom of choice.

It is just as difficult as ever to make a forecast but, with the opening of our new Branch at Luton on the 12th May and the continual improvements we are making in our existing Branches, I am hopeful that we shall once again produce record sales and profits for the year.

Following the successful letting of the Units adjoining our new Brighton Branch, Nurdin & Peacock Properties Ltd. is at present constructing five industrial/warehousing Units, totalling 32,000 sq. ft., adjoining our Branch at Eastleigh and this space should be available for letting this summer. In addition, we have started building a new Cash & Carry Branch at Cardiff and this should be ready for occupation in the first half of next year. As always we are seeking sites for new and replacement Branches.

It is with great sadness that I have to report the deaths of two people who had a very great deal to do with our entry into Cash & Carry and our progress since. My Father, who had become the first President of the Company, died last October and Mr. Philip Hounsell, who had looked after our interests in the Southampton area for some thirty years and was an Associate Director, died in February of this year.

Also in February we welcomed Mr. D. C. Poole to the main Board as Marketing Director and appointed the following as Associate Directors:—

Mr. A. D. Hopkins—Marketing
Mr. R. W. Luckhurst—Reading Branch Manager
Mr. R. L. Taylor—Security
Mr. S. R. Williams—Dagenham Branch Manager.

Mr. Harry Granville, who has been with the Company for nearly 50 years, and who was an Associate Director, retired at the end of March and I should like to take this opportunity of thanking him for his considerable efforts during that long time.

It gives me great pleasure to express my appreciation of the work carried out during the year by our "N & P" Staff. It is their enthusiasm and team spirit which has produced record results once again and I am sure you will wish to add your thanks to those of your board for all they have done.

At the Extraordinary General Meeting of your Company in November, 1979, the resolution seeking approval for the Staff Share Participation Scheme was unanimously carried. I am glad to say that all the preparatory work has been completed and more than 1,200 of our staff will receive an allocation of shares this year. I am looking forward to more of our staff becoming shareholders, not only because of the greater feeling of involvement it will bring, but because it is a just reward for all their hard work.

Head Office: Bushey Road, Raynes Park, SW20 0JJ. Tel.: 01-946 9111

Companies and Markets

MINING NEWS

RTZ's gold and uranium income

BY KENNETH MARSTON, MINING EDITOR

COPPER and gold combined provided the major source of gross revenue for the Rio Tinto-Zinc group in 1979. The two metals contributed £195.2m. or 43.1 per cent of the group's record pre-tax profits of £452.7m.

After tax, however, the contribution fell to £32.4m, or 21.6 per cent of the total, and was replaced in first position by borax and chemicals which contributed 26.3 per cent of the net profit total of £149.8m.

The group's maor source of gold is, of course, the Bougainville mine in Papua New Guinea. But, a little coyly perhaps, the RTZ annual report does not disclose the proportion of the mine's important gold revenue to that of copper.

At all events, if the price of gold stays at anywhere near current levels compared with the 1979 average of only $307 per ounce it will cushion any fall in this year's earnings from copper which averaged £937 per tonne in 1979.

The third major contributor to group net profits last year was Australian aluminium which should again do well in view of Australia's advantage in relatively cheap power supplies for this high-energy-consuming product.

Then came uranium and a feature of the year was the improvement at the previously trouble-torn Rossing uranium mine in Namibia. Last year it reached its planned annual output of 5,000 short tons of uranium oxide with the result that its contribution to RTZ earnings advanced to over £12m, or some 8 per cent of the total, from only $2m in the previous year. Together with that from other sources, mainly Canada, uranium provided a total 14.2 per cent of net profits.

hTe Rossing profit was exceptional in the sense that the mine has not yet reached the tax-paying stage, but the onset of tax liability may occur this year. After uranium, lead and zinc contributed 12.1 per cent of net profits, but the latter metals are vulnerable to the world economic recession.

Hammersley iron-ore in Western Australia should do better this year, given a reasonable absence of further major industrial problems and, in all, the group has made a good start to the year. What may follow, however, is a matter for conjecture and the RTZ chairman, Sir Mark Turner, thus has no easy task in preparing his statement to the London annual meeting which is to be held on May 28.

HILL 50 GOLD RIGHTS ISSUE

Western Mining Corporation will underwrite a rights issue by Hill 50 Gold Mines to raise A$15.6m (£7.6m) for the re-opening of the Morning Star gold mine, near Mount Magnet in Western Australia.

Hill 50 Gold plans a one-for-one issue of 62.5m shares at 25 cents (12.27p) each.

Morning Star, closed since 1915, has been dewatered, and has proven and probable reserves of 436,000 tonnes of ore, averaging 9.85 grams of gold to the tonne. The mine is expected to be profitable for at least ten years.

A treatment plant with a capacity of 200,000 tonnes of ore a year will be built, indicating that considerably more reserves are expected to be proven.

Western Mining, which owns 36.5 per cent of Hill 50 Gold, will operate the mine in conjunction with Hill 50 Gold.

ROUND-UP

Lornex, the Canadian copper-molybdenum producer in the Rio Tinto-Z group, lifted 1980 first quarter net profits to C$27.9m (£10.3m) from C$8.5m in the 1979 first quarter and declared a dividend of 100 cents.

* * *

Freeport Minerals, the diversified U.S. group, had recorded quarterly profits in the three months to March of $35.3m (£15.5m), compared with $20.2m in the same period of 1979.

* * *

Patino, the Netherlands group with extensive Canadian interests, had 1980 first quarter net profits of $7.15m (£3.15m) against $3.2m in the 1979 first quarter. It declared an interim dividend of 25 cents.

Canadians make new tax plea

THE CANADIAN mining industry needs "supportive government policies" to reach its full potential, the Mining Association of Canada has told the federal and Provincial Governments, reports John Soganich from Toronto.

In a paper entitled "Canadian Mineral Industry: Issues for the 1980s," the Association spelt out the issues requiring attention if Canada is to take advantage of the expected rapid growth in world mineral consumption over the next 20 years. An economic and regulatory climate to stimulate new investment is a real need, it said.

"Legislators must be aware of the differences between the petroleum and mining industries when designing taxation and other policies," the Association said. Unlike petroleum, mining is cyclical and years of high profits are necessary to offset the lean years.

The Association called on the Governments to abide by the recommendations of the 1978 federal-provincial tax review for stability and certainty in taxation policies.

It attacked what it called "the monopolistic pricing tendencies" of the major transportation networks and, in the context of the need for positive northern mineral development policies, urged the introduction of competitive rates to enable local producers to compete in world markets.

The Association also noted the potential shortage of skilled personnel and the continuing problems of small exploration companies. It asked the Government to re-evaluate its position on taxing employee benefits in the light of the difficulty experienced of attracting personnel to remote areas.

L & M boosts long-term gilt holdings by £6m

THE CONTINUING high interest rates last year enabled London and Manchester Assurance to increase its long-term gilt holdings by £6m. It also lifted its equity investment by £3.5m—partly by selective purchases and part by exercising rights on convertible loan stocks holdings.

Mortgages on property increased by £5m, while holdings in freehold and leasehold property rose by £10m and now account for one-quarter of the portfolio.

Investment income continued to grow at a satisfactory rate, rising by £3.5m. The gross rate of interest earned on the funds amounted to £12.65 per cent in the ordinary branch and 12.58 per cent in the industrial branch. The company has been able to declare record bonus rates in the ordinary branch.

Mr. Keith Browne, in his chairman's statement, welcomed the increased opportunity being given to the self-employed to make adequate pension provision. He also welcomed the move to ensure that life assurance premieum relief would only be available for the genuine longer-term policies.

But he viewed the reduction in the rate of relief from 17½ per cent to 15 per cent with some concern. The introduction of the present system of relief caused considerable administrative expense and any subsequent alteration will impose further significant cost burdens.

Home Counties News—squeeze on margins

With an inevitable squeeze coming on margins, it would be unwise to expect the current year of Home Counties Newspapers to produce results as good as in 1979, warns the chairman, Mr. R. W. Gibbs.

At the end of March, the chairman said the first two months of the current year had shown reduced profits.

He tells shareholders that the advertising market is more difficult with greater pressure on the group's more competitive newspapers. Margins will have to bear the cost of wage increases and the notified rise in the price of newsprint.

As reported on March 29, profit for 1979 rose from £955,000 to £1.32m, but this is adjusted to £1.07m (£812,000) on a CCA basis. The dividend is 6.5p (5p).

The chairman says profits have generated a lot of cash but this has been completely absorbed or earmarked for new equipment.

Hawthorn Leslie interim rise

INCLUDING, FOR the first time, results of Jedmond Engineers and Flash Fasteners, taxable profits of R. and W. Hawthorn, Leslie and Co., investment holding concern, expanded from £101,370 to £232,916 for the half-year ended December 31, 1979. Turnover has risen to £1.49m against £120,950.

Jedmond and Flash have both traded satisfactorily since acquisition last June, despite the general reduction in consumer demand and the effects of the steel strike, directors state.

They add that the group is continuing to earn a high rate of return on its liquid funds in the money market.

From six months earnings of 4.94p (2.3p) per 50p share the interim dividend is increased to 1.5p (1.25p) net per share—last year's final was 2p paid from pre-tax profits of £130,000, which excluded an exceptional credit of £70,000.

After tax of £89,200 (£28,546) and an extraordinary credit, last time, of £991,110, the attributable balance was well down at £143,716 against £1.07m.

Adjusted audited net profits of Jedmond and Flash, for the year ended January 31, 1980, amounted to £269,000 (£160,000), and in accordance with the terms of purchase, a further £203,863 is payable to the companies' vendors.

Winding-up orders

Compulsory winding up orders against 70 companies have been made in the High Court. They are:

Hotel Norfolk (Eastbourne); MBPR (Holdings); Glenmire (Export and Import); Instaheat Plumbing and Heating; JMP Electrics; Bellavon.

Whyton and Hipkiss; Non-woven Fabrics; Quay Controls; Alexander Supplies (Group Administration).

Bushbond Construction; Floralcast; Kennedy Developments; KML Machine Tools; Petrine Caterers.

Rhyl Construction Company; Wendastan Builders; Epat Ribbons; Larchlynn; G and D Glass Supply Company.

Kuenar Export Trading; Paul Marshall; Sidmere; Forest Foods; Braun Home and Garden Products; Musichaul.

British Cargo Airlines; Northern Land Drainage; Stanor Taxi Company; Chandale; Partus Productions; Silverose Ceilings.

Cavalry Developments; Polvarth Holidays; P. G. Torkington; Kangoll (Shopfitters); Kent Carriage Company; Leadermill.

New Riverside Fabrics; North East Plant Desk; Pasadera Products; John Edge; The Gateways (Richmond); Demesne Enterprises; Colbourne Estates.

Chemical Investments; Ben Bartell and Son Builder and Roofing Contractor; Welsh Engineering (Llanelli); Siftview; Remedamp; Ringsana.

Plydust; Paramark; A. S. Baker (Garment Manufacturers); Peter Wise Trading Company; Denway Engineering; The Dream Car Company.

White Brothers (Conversions); Stanrose Gowns; Urgeglen; GLS Marine; WHS Developments.

Windmill Close Construction (Balsall Common); Lesterkarn; Thirftwood Developments; GET Aluminium Systems; Polmin; O'Donnell and Boyle; W. Cahill and Sons (Engineers); Sea Holdings.

A compulsory winding up order made on April 21 against Jeffeun Holdings (London) has been rescinded and the petition dismissed by consent.

Ash & Lacy

LIMITED

RESULTS IN BRIEF	1979 £'000	1978 £'000
Sales	26,679	30,204
Profit before taxation	2,585	1,901
Retained profit	1,810	960
Earnings per share	43.7p	33.5p
Dividend per share	11.5p	7.3857p

1979 Results: A very satisfactory increase in profit of 36%. Furthermore, there was an extraordinary profit of £552,000 before tax of which £398,000 arose from the disposal of premises at Tonbridge, Wolverhampton and Smethwick.

The reduction in group turnover was a consequence of the elimination of unprofitable sales. Balance sheet has been strengthened—net borrowing improved by £1.5m.

A final dividend of 6.0p per share is recommended, making a total for the year of 11.5p per share (1978 – 7.3857p). This increase reflects the strong performance of the Group in recent years.

1980 and the future: A good start to the year in the first quarter and high interest rates should produce increased income from our substantial cash balances.

Whilst the prolonged steel strike had no appreciable impact on the first quarter, there is likely to be a material effect on the second quarter's results; as a whole, it is possible that some of the sectors in which we operate will face difficulties over the next six months.

We are confident that Ash & Lacy will produce a strong performance bearing in mind the economic climate in which it has to operate.

SMETHWICK WARLEY WEST MIDLANDS

Hanger

1979 Results

Founded in 1920, the Hanger Group today is one of the country's largest specialists in selling and servicing passenger and commercial vehicles. In addition, it is one of the largest vehicle leasing companies in the UK.

Financial Highlights

	1979 £000	1978 £000
Turnover	72,378	48,841
Profit before taxation	2,708	2,341
Profit after taxation	2,178	2,116
Net Dividend per share	1.00p	0.50p

The Group's business has grown substantially in recent years; earnings per share have increased from 0.46p in 1975 to 23.60p in 1979, with Net Assets increasing from 30.79p to 84.61p per share in the same five year period.

With the economic downturn and high interest rates, however, the trading scene is very competitive and there is severe pressure on margins.

Mr. Peter Adams, Chairman, comments: "Our profits for the first half of 1980 are likely to be materially lower than the same period last year and it is difficult to forecast the final outcome. However, we are fortunate in having a very experienced and highly professional management team which should stand us in very good stead."

The 1979 Report and Accounts is available from the Secretary, Hanger Investments Limited, Dilworth House, 190 Broad Street, Birmingham B15 1EA.

CURRENCIES, MONEY and GOLD

Sterling weak

Sterling fell quite sharply in currency markets yesterday in very thin trading. Its decline was not a reflection of any new factors in the market, but more a result of a general lack of demand for the currency. With most European centres closed today for May Day celebrations, trading on the Continent petered out towards the end of yesterday, while in New York, late selling contributed to a loss on the day of 1.15c for sterling against the dollar. It opened at $2.2675 and touched $2.2725 on early demand. But the dollar demand increased and the pound fell to $2.2650 before coming back once again to $2.2735. Trading was quite erratic with relatively small amounts moving the rate 30 or 40 points at a time. During the afternoon sterling fell to $2.2500, and although there was no clear indication as to whether the Bank of England stepped into the market at this level, sterling recovered at the close to $2.2580-2.2590, a loss of 1.15c.

It was also weak against European currencies, falling to DM 4.0675 against the D-mark from DM 4.0850 on Tuesday, and to FFr 9.4975 from FFr 9.535 in terms of the French franc. Sterling's decline was reflected in its trade weighted index which fell to 72.6 from 73.2, having stood at 73.0 at noon and in the morning.

The dollar was slightly firmer overall, showing little signs of weakness despite further falls in Euro-dollar rates and increases in West Germany's key lending rates. Against the D-mark it finished at DM 1.8000, up from DM 1.7980 on Tuesday, and was only fractionally easier in terms of the Swiss franc at SwFr 1.6675, compared with SwFr 1.6690 previously. On Bank of England figures, the dollar's trade weighted index rose to 86.8 from 86.6.

D-MARK—Slightly improved within the European Monetary System, and showing a stronger tendency against the dollar, after a weakness caused by expectations of a continuing balance of payments deficit and rising inflation in Germany. Trading was nervous and subdued ahead of the announcement of a rise in key lending rates in Frankfurt yesterday, and the dollar was fixed at DM 1.8015 compared with DM 1.7976 on Tuesday. After the announcement the dollar dipped below $1.80. But is soon recovered to close at DM 1.7995 from a low of DM 1.7950, hardly changed from Tuesday. Trading continued to be very subdued. Sterling fell to DM 4.0540, down from DM 4.0985.

BELGIAN FRANC—No longer weakest member of the EMS, helped by record interest rates earlier this year. Showing a weaker tendency in the past week as rates in Belgium begin to ease—The Belgian franc lost ground against all its EMS partners at yesterday's fixing in Brussels, reflecting the effects of a continued programme of interest prate cuts by the authorities. One dealer suggested that the fall may be progressing too fast, but doubted that any renewed crisis was imminent. The D-mark rose to BFr 16.1352½ from BFr 16.0440, and the French franc was higher at BFr 6.91725 compared with BFr 6.89.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year, with heavy central bank intervention earlier this year. Steadier just recently—The yen continued to improve against the dollar in Tokyo yesterday, as the latter suffered from the effects of continuing unrest in the Middle East and falling Euro-dollar interest rates. The U.S. unit closed at Y238.35, down from Y239.2 in New York on Tuesday. Markets were closed in Tokyo on Tuesday for a national holiday.

THE POUND SPOT AND FORWARD

April 30	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2500-2.2735	2.2580-2.2590	0.80-0.70c pm	3.98	1.58-1.48 pm	2.71
Canada	2.6770-2.6970	2.6795-2.6805	0.60-0.50c pm	2.46	1.45-1.35 pm	2.09
Nethlnd.	4.47-4.52	4.49¾-4.50¾	3⅛-2⅛c pm	7.67	8⅞-7⅞ pm	7.00
Belgium	65.50-66.10	65.55-65.65	12-2c pm	1.28	20-10 pm	0.91
Denmark	12.67-12.82	12.72-12.73	¼-2¼ore dis	−1.53	3¼-5¼ dis	−1.33
Ireland	1.1005-1.1065	1.1010-1.1020	0.10-0.06p pm	0.87	0.35-0.30 pm	1.18
W. Ger.	4.04-4.10	4.06½-4.07½	3½-2½pf pm	7.74	8-7 pm	7.37
Portugal	110.80-112.00	111.20-111.50	15c pm-25 dis	−0.54	10-110 dis	−2.15
Spain	159.40-160.55	160.00-160.10	5c pm-40 dis	−1.31	35-90 dis	−1.56
Italy	1,905-1,922	1,913-1,914	5-3lire pm	2.51	4½-2½ pm	0.78
Norway	11.10-11.23	11.14½-11.15½	5¾-3¾ore pm	4.84	13-11¼ pm	4.35
France	9.45-9.54	9.49¼-9.50¼	2¾-1¾c pm	2.84	8¼-7¼ pm	3.28
Sweden	9.48-9.64	9.51¼-9.52¼	4½-3½ore pm	5.20	8-6½ pm	3.10
Japan	535-543	539½-540½	2.75-2.35y pm	5.67	5.35-4.95 pm	3.81
Austria	28.90-29.25	29.00-29.05	25-20gro pm	9.30	55-45 pm	6.89
Switz.	3.74-3.80	3.76-3.77	4¼-3¼c pm	12.35	10⅞-9⅞ pm	11.02

Belgian rate is for convertible francs. Financial franc 67.00-67.10. Six-month forward dollar 2.50-2.40c pm. 12-month 4.05-3.90c pm.

THE DOLLAR SPOT AND FORWARD

April 30	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2500-2.2735	2.2580-2.2590	0.80-0.70c pm	3.98	1.58-1.48 pm	2.71
Ireland†	2.0510-2.0540	2.0510-2.0530	0.95-0.85c pm	5.28	2.40-2.30 pm	4.58
Canada	1.1872-1.1890	1.1872-1.1875	0.12-0.17c dis	−1.46	0.17-0.22dis	−0.66
Nethlnd.	1.9850-1.9910	1.9880-1.9910	0.60-0.45c pm	3.17	2.10-1.95 pm	4.07
Belgium	29.02-29.07	29.03-29.05	3-5c dis	−1.65	6-11 dis	−1.17
Denmark	5.6325-5.6400	5.6350-5.6400	2.25-2.75ore dis	−5.32	5.50-6.00dis	−4.08
W. Ger.	1.7960-1.8035	1.7995-1.8005	0.84-0.79pf pm	5.43	2.15-2.10 pm	4.72
Portugal	49.25-49.50	49.35-49.50	12-27c dis	−4.73	40-80 dis	−4.85
Spain	70.80-71.00	70.80-70.90	20-35c dis	−4.66	65-85 dis	−4.23
Italy	846.10-848.00	847.00-847.30	1-2lira dis	−2.12	3½-5 dis	−2.01
Norway	4.9380-4.9420	4.9400-4.9420	0.85-0.35ore pm	1.46	2.00-1.50 pm	1.42
France	4.2000-4.2075	4.2050-4.2075	0.45-0.35c pm	1.14	1.30-1.10 pm	1.14
Sweden	4.2100-4.2240	4.2130-4.2230	0.70-0.50ore pm	1.71	1.15-0.95 pm	0.99
Japan	238.00-239.40	239.05-239.15	0.40-0.20y pm	1.50	0.75-0.55 pm	1.09
Austria	12.84-12.85½	12.84-12.85	6.40-5.70gro pm	5.65	15.50-12.50pm	4.36
Switz.	1.6620-1.6750	1.6670-1.6680	1.26-1.16c pm	8.71	3.43-3.33 pm	8.11

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.568500	0.609835
U.S. $	13	1.29745	1.39317
Canadian $	15.67	1.54805	1.65300
Austria Sch	6¾	16.5799	17.9251
Belgian F	14	37.4568	40.2347
Danish K	15	7.27858	7.84842
D'Mark	7	2.32967	2.51188
Guilder	9½	2.58124	2.77798
French Fr.	9½	5.43883	5.85201
Lira	15	1096.98	1178.62
Yen	9	Unavail.	332.967
Norwgn. Kr.	9	6.39374	6.87808
Spanish Pts.	8	91.4039	98.4274
Swedish Kr.	10	Unavail.	5.92612
Swiss Fr.	3	2.17060	2.33008

CURRENCY MOVEMENTS

April 30	Bank of England Index	Morgan Guaranty Changes%
Sterling	72.6	−33.1
U.S. dollar	86.8	−6.4
Canadian dollar	79.9	−18.3
Austrian schilling	156.0	+24.1
Belgian franc	115.1	+13.7
Danish kroner	106.6	−4.5
Deutsche mark	155.4	+45.2
Swiss franc	198.3	+79.6
Guilder	124.9	+19.0
French franc	101.1	−5.9
Lira	53.6	−50.7
Yen	119.6	+18.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April 30	£	$		£ Note Rates
Argentina Peso	4011-4031	1780-1787	Austria	28.90-29.20
Australia Dollar	2.0215-2.0255	0.8970-0.8975	Belgium	66.50-67.10
Brazil Cruzeiro	109.90-110.90	48.86-49.06	Denmark	12.65-12.72
Finland Markka	8.39-8.41	3.7150-3.7170	France	9.43-9.49
Greek Drachma	94.889-97.111	41.70-42.00	Germany	4.04-4.07
Hong Kong Dollar	11.07½-11.08½	4.9100-4.9150	Italy	1880-1925
Iran Rial	n/a	n/a	Japan	540-545
Kuwait Dinar(KD)	0.612-0.622	0.2719-0.2720	Netherlands	4.46-4.49
Luxembourg Frc.	65.55-65.65	29.03-29.05	Norway	11.11-11.18
Malaysia Dollar	5.0250-5.0350	2.2285-2.2305	Portugal	108½-112
New Zealand Dlr.	2.3330-2.3380	1.0350-1.0360	Spain	155½-164
Saudi Arab. Riyal	7.60-7.70	3.3275-3.3290	Sweden	9.47-9.52
Singapore Dollar	4.9350-4.9450	2.1890-2.1910	Switzerland	3.77½-3.80½
Sth. African Rand	1.8045-1.8070	0.7990-0.8000	United States	2.25-2.26
U.A.E. Dirham	8.39-8.49	3.7210-3.7225	Yugoslavia	48½-50½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4307	+1.61	+0.90	±1.53
Danish Krone	7.72336	7.84336	+1.55	+0.84	±1.64
German D-Mark	2.48208	2.50670	+0.96	+0.24	±1.125
French Franc	5.84700	5.84687	—	−0.71	±1.3557
Dutch Guilder	2.74362	2.76865	+0.91	+0.20	±1.512
Irish Punt	0.668201	0.677518	+1.39	+0.68	±1.668
Italian Lira	1157.79	1179.11	+1.84	+1.84	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 29	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFranc	Swiss Franc	DutchGuild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.259	4.068	540.0	9.498	3.765	4.498	1914.	2.680	65.60
U.S. Dollar	0.443	1.	1.801	239.1	4.205	1.667	1.991	847.2	1.187	29.05
Deutschemark	0.246	0.555	1.	132.8	2.335	0.926	1.106	470.4	0.659	16.13
Japanese Yen 1,000	1.852	4.182	7.532	1000.	17.59	6.972	8.329	3544.	4.963	121.5
French Franc 10	1.055	2.378	4.283	568.6	10.	3.964	4.735	2015.	2.822	69.07
Swiss Franc	0.266	0.600	1.080	143.4	2.523	1.	1.195	508.2	0.712	17.42
Dutch Guilder	0.222	0.502	0.904	120.1	2.112	0.837	1.	425.5	0.596	14.59
Italian Lira, 1,000	0.523	1.180	2.126	282.2	4.963	1.968	2.350	1000.	1.401	34.28
Canadian Dollar	0.373	0.843	1.518	201.5	3.544	1.405	1.678	714.0	1.	24.48
Belgian Franc 100	1.524	3.443	6.200	823.2	14.48	5.759	6.856	2917.	4.085	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.80-13.95 per cent; three-months 13.75-13.90 per cent; six months 12.90-13.10 per cent; one year 12.05-12.25.

April 30	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17⅛-17⅜	12¼-12½	9⅜-9¾	10¼-10½	5-5½	9⅜-9½	12⅛-12⅜	12-14	12-12¼	11-11½
7 days' notice	17½-17⅝	12¾-13	9⅜-9¾	10¼-10½	5½-5	9 7/16-9 9/16	12 3/16-12 7/16	13½-16½	12⅞-13	11-11½
Month	17½-17⅝	13¼-13½	14⅞-15⅛	10⅜-10⅝	5⅝-5¾	9¼-9⅜	12⅝-12⅞	16-17½	13⅜-13½	11⅝-11¾
Three months	17¼-17 7/16	13⅞-14⅛	14⅞-15¼	10⅜-10⅝	6 1/16-6 3/16	9¼-9⅜	12¾-12⅞	16-17	14-14⅛	12¾-12⅞
Six months	16⅜-16½	13½-13¾	14-14⅜	10⅜-10⅝	6⅛-6¼	9¼-9⅜	12⅞-13⅛	15¾-16¾	13 1/16-13 3/16	11½-11¾
One year	15⅛-15¼	12⅝-12⅞	13-13⅜	10⅜-10⅝	5½-5⅝	9-9⅛	13⅛-13⅜	16-17	12⅝-12¾	10½-10¾

Long-term Eurodollar two years 12¼-12½ per cent; three years 12¼-12½ per cent; four years 12-12¼ per cent; five years 11⅞-12⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

German rates up

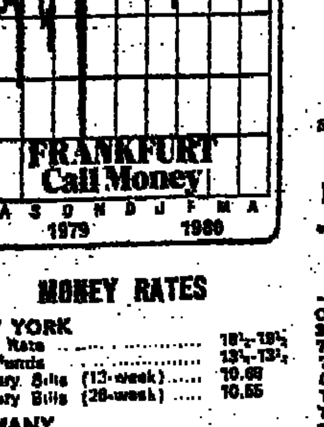
The German Bundesbank continued its tight monetary policy yesterday by announcing an increase in the central bank discount rate to 7½ per cent from 7 per cent, while the Lombard rate was raised to 9½ per cent from 8½ per cent. At the same time the German authorities added liquidity to the domestic money market by lowering the minimum reserve requirements for banks by 8 per cent as well as making a further DM 3bn available through an increase in the rediscount volume. The cut in minimum reserve requirements should add another DM 5bn to market liquidity. The action of the central bank is designed to make it more difficult for commercial banks to borrow from the authorities under the Lombard facility. During April banks borrowed an average of DM 10bn, and according to Bundesbank estimates this could have risen to DM 16bn in May, whereas the facility is only intended to help banks through short term liquidity shortages.

In Brussels interest rates on short term Treasury certificates were loweerd for the second time this week, reflecting the recent improvement of the Belgian franc in the European Monetary System and the easier trend in domestic deposit rates. One, two and three month deposits were reduced to 16¾ per cent from 17 per cent.

In Paris Banque National de Paris, one of the big three nationalised banks cut its prime lending rate to 13 per cent from 13½ per cent, bringing it into line with Credit Lyonnais and Banque de Paris et des Pays-Bas.

In Milan tight liquidity led to an increase in one month money rates to 16¾-17¼ per cent from 16½-16¾ per cent.

The D-mark improved within the EMS yesterday, while the Belgian franc fell sharply. The French franc showed little change at the top of the system, and the Italian lira remained the weakest member.



MONEY RATES

NEW YORK	
Prime Rate	18½-19½
Fed. Funds	13¾-13½
Treasury Bills (13-week)	10.69
Treasury Bills (26-week)	10.55
GERMANY	
Discount Rate	7.5
Overnight Rate	9.15
One month	9.55
Three months	10.05
Six months	9.70
FRANCE	
Discount Rate	9.5
Overnight Rate	12.50
One month	12.5625
Three months	12.6875
Six months	12.6875
JAPAN	
Discount Rate	9
Call (Unconditional)	12.375
Bills Discount (three-month)	13.875

GOLD

Little change

Trading was again very dull and featureless in the London bullion market yesterday, and gold lost $4 an ounce to $512-517. With some centres closed for a holiday today, business yesterday was at a very low level. The metal opened at $515-520 and traded within that range for most of the day, before easing slightly at the close.

In Paris the 12½ kilo bar was fixed at FFr 73,250 per kilo ($541.99 an ounce) in the afternoon compared with FFr 72,200 ($535.70) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 30,170 per kilo ($520.99 per ounce) against DM 29,620 ($514.55) previously, and the metal closed at $516-521 compared with $512-517 per ounce.

In Zurich gold closed at $515-520 against $517-522 previously.

	April 30		April 29	
Gold Bullion (fine ounce)				
Close	$512-517	(£227-229¼)	$516-521	(£227.8-229¼)
Opening	$515-520	(£227¼-229½)	$505-510	(£222½-222¾)
Morning fixing	$519.25	(£229.169)	$513	(£224.655)
Afternoon fixing	$518	(£229.610)	$513.75	(£225.477)
Gold Coins				
Krugerrand	$531-536	(£235-238)	$532-537	(£234-237)
Mapleleaf	$520-530	(£231-234)	$523-535	(£229-234)
New Sovereigns	$131-133	(£58-59)	$132-134	(£58-59)
King Sovs	$156-159	(£69-71)	$156-151	(£68½-70)
Victoria Sovs	$156-159	(£69-71)	$156-159	(£68½-70)
French 20s	$138-142		$138-141	
50 pesos Mexico	$640-648		$641-648	
100 Cor. Austria	$509-514		$510-517	
$20 Eagles	$645-650		$644-649	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Continued shortage

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave very large assistance by buying a small amount of Treasury bills from the discount houses, and a small number of local authority bills and eligible bank bills for resale at a fixed future date. The help was completed by lending a large amount overnight at Minimum Lending Rate to four or five houses.

Repayment was made of the large amount lent to the market on Tuesday, houses repurchased a large number of bills from the Bank of England, and the market was also faced with a small rise in the note circulation and small oil payments. On the other hand banks brought forward moderate surplus balances, and large Government disbursements exceeded revenue payments to the Exchequer. Discount houses paid 17 per cent throughout for secured call loans.

LONDON MONEY RATES

April 30 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	17-18	—	—	—	17¾-18½	17	—	—	—
2 days notice	—	—	17⅝-17⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17½-17¾	17¾-17⅞	—	17⅞	17⅞-18⅛	17	—	—	—
One month	17 1/16-17⅜	17 5/16-17⅝	17½-17¾	18¼-17⅞	17⅞	18	17	15⅞-15 29/32	17	17¾
Two months	17⅜-17¼	17 1/16-17 3/16	—	17¾-17⅜	17⅝	—	16¾	16	17	17½
Three months	17 1/16-16 15/16	17½-17 7/16	17½-17⅜	17¼-16⅞	17 1/16	17⅜-17¾	16½-16⅝	15 [illegible]-16	16½	16⅞
Six months	16-15 15/16	16-16⅜	16⅛-16⅜	16⅛-15¾	16⅜	17¼	—	—	15½-15⅝	15 13/16
Nine months	15 13/16-15½	15⅛-15¾	—	16-15⅜	15⅝	16⅝	—	—	—	—
One Year	14⅞-14 13/16	14⅞-15¼	15½-15¾	15⅜-15⅛	15 3/16	16⅝	—	—	—	—
Two years	—	—	15⅝-15¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15¼-15½ per cent; four years 14¾-15 per cent; five years 14¾-14⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15 15/32-16 per cent; four-month trade bills 16 per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15 29/32 per cent; two-months 16 per cent; three-months 15 31/32-16 per cent. Approximate selling rates for one-month bank bills 17⅛ per cent; two-months 16⅞ per cent; three-months 16⅝ per cent; one-month trade bills 17½ per cent; two-months 17¼ per cent and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance House Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0629 per cent.

APPOINTMENTS

K. Dixon to head Rowntree Mackintosh

Mr. K. H. M. Dixon, at present deputy chirman of ROWNTREE MACKINTOSH, has been nominated as chairman designate, to be elected as chairman when Sir Donald Barron reaches retirement age in March 1981. On Mr. Dixon's succession, the board intends to appoint Mr. K. Haslinger and Mr. J. Nutter as joint deputy chairmen.

★

Mr. Peter I. Walters and Dr. E. W. Best have been elected to the Board of BP CANADA INC. Mr. Walters is a deputy chairman and a managing director of the British Petroleum Company. Dr. Best, formerly vice-president, exploration and production of BP Canada Inc., has also been appointed to the new post of vice-president, natural resources.

★

Mr. Simon Everard has succeeded his brother Mr. Anthony Everard as chairman of ELLIS AND EVERARD. Mr. Simon Everard retains the chairmanship of Ellis and Everard (Chemicals) but relinquishes the position of group finance director. Mr. Anthony Everard continues as a director and becomes the first president of the company. Mr. David Walsh takes on the post of group managing director. Mr. Peter Wood, who joined the board in January, has been appointed group finance director.

★

Mr. Eric Carter, deputy group chief executive (International Business) and a director of National Westminster Bank, has been appointed to the Board of its subsidiary, NATIONAL BANK OF NORTH AMERICA.

★

Mr. Ian Logie is to become president and chief executive officer of INTERNATIONAL ENERGY BANK at the beginning of July. He will be resigning as deputy managing director of European Banking Company, but will retain his non-executive chairmanship of Gillett Bros. Discount. Mr. C. P. Lunn continues as chairman of IEB.

★

Sir Claus Moser and Lord Rockley will be proposed as directors of EQUITY AND LAW LIFE ASSURANCE SOCIETY at the annual meeting on May 7 when Sir Geoffrey Eley and Sir Duncan Oppenheim will retire. Mr. E. P. Chappell will resign because of his recent appointment as chairman of ICL.

★

Mr. Yves Lamarche, chairman of Banque Arabe et Internationale d'Investissement, has been appointed to the board of HILL SAMUEL GROUP.

★

Mr. A. F. D. Willby has joined the partnership of WEDD DURLACHER MORDAUNT AND CO., stockjobbers.

★

Mr. J. Barry Orr has been appointed chief executive of HEAD WRIGHTSON TEESDALE and Grosvenor Steel Fabrications, member of the DAVY CORPORATION group. Mr. Orr returns to Davy after a period as group chief executive of the Peckston Group.

★

Mr. J. L. M. Wilson has succeeded Mr. T. N. Gartside as senior partner of SHEPPARDS AND CHASE, stockbrokers. Mr. Gartside has become a non-executive partner. Mr. R. M. Howell, Mr. R. M. Leach and Mr. G. W. B. Warman have joined the partnership. Mr. D. G. Clive, Lord Terrington and Mr. S. R. B. Wood have left the partnership.

★

Mr. Martin G. Moss, recently appointed managing director of Simpson (Piccadilly), has been appointed a director of the parent company S. SIMPSON.

★

Mr. R. W. Cummings and Mr. P. H. Hickey has joined the partnership of LAURIE MILBANK AND CO., stockbrokers.

★

Mr. Arthur Montgomery and Mr. David Snedden have become joint managing directors of THOMSON REGIONAL NEWSPAPERS. Mr. Matthew Seales has been made deputy managing director.

★

Mr. C. J. Dodson has become secretary of TURNER AND NEWALL on the retirement of Mr. A. D. N. Jones. Dr. N. A. Cutler, co-ordinator, U.S. chemical development for the company, has retired on medical advice.

★

Mr. J. M. Luscombe has retired from the partnership of WESTLAKE AND CO., stockbrokers of Plymouth, but he remains a consultant. Mr. P. W. R. Hewson has joined the firm and Mr. R. L. Barclay has become an associated member.

★

Mr. D. Ludlow has been appointed managing director of LDA LEASING, a member of the Godsell (LDA) Group.

★

Mr. C. R. Harris, an executive director of the COMMERCIAL UNION ASSURANCE COMPANY has been appointed deputy chief general manager. Mr. W. K. Evans and Mr. E. D. Rainbow have become directors and continue as general managers. Mr. H. B. Gordon has been made an assistant secretary of the company.

★

Mr. John Botting has been appointed international representative of the BANK OF BERMUDA, Bermuda, and continues to be based in Guernsey. He has been succeeded as managing director of the Bank of Bermuda (Guernsey) by Mr. George Davy.

★

Mr. L. D. Hawken, at present a Commissioner of Customs and Excise, is to be a deputy chairman of CUSTOMS AND EXCISE from May 27. He will succeed Mr. Angus Fraser, who is being seconded to the Civil Service Department.

★

Miss V. J. Di Palma has been elected president of the ASSOCIATION OF CERTIFIED ACCOUNTANTS for 1980-81. Mr. R. A. Spencer becomes deputy president and Professor J. R. Small, vice president.

★

Mr. Rowland Walker, chairman and managing director of Rotary Electrical Company, has become international president of the American-based ELECTRICAL APPARATUS SERVICE ASSOCIATION.

★

Mr. W. Bingham has been appointed financial director of CHLORIDE GENT.

★

Mr. Michael J. Dent has been appointed managing director of J. MANGER AND SON, a subsidiary of *Grimshawe Holdings.* He was previously a director of Dunlop Semtex.

★

Mr. John Barber has been appointed deputy chairman and Mr. Anthony Good a director of JOHN E. WILTSHIER AND CO. Mr. Barber is a former executive of Ford Motor and BL. Mr. Good is chairman of Cox and Kings and the Good Relations Group.

★

Mr. Michael Minassian has been appointed chief executive of the Heat Transfer Division of COVRAD, of Coventry.

★

Mr. Walter Dickson is to become managing director of the Mars Confectionery Division of MARS LTD and he will be succeeded as managing director of Pedigree Petfoods by Mr. Leslie Simmens. Mr. Brian Law, at present managing director of Mars Confesionery Division, is to leave the company later this year for his other business interests.

★

Mr. John Parsons, deputy chairman and managing director of Francis Shaw, has been elected president of the BRITISH PLASTICS FEDERATION for 1980-81. He replaces Mr. Harry Kleeman. Vice-president will be Mr. George Howd.

★

Mr. Trevor Nicholas has been appointed a divisional general manager and Mr. Bill Gordon an assistant general manager of BARCLAYCARD.

★

Mr. H. M. Bennison, divisional managing director of Elbar Industrial (Trading), has become president of the AGRICULTURAL ENGINEERS ASSOCIATION. Mr. R. H. Filbey is first vice-president and Mr. J. E. Owen second vice-president.

★

CAPPER NEILL ENGINEERING has made three appointments to its Board. They are Mr. Don Nichol as production director; Mr. John Hillicks, technical director; and Mr. Terry Ellison, responsible for sales of the bottling division.

★

Mr. Dick Vallon, head of the surveying department of WILLETT, has been appointed a director of the company. He has also joined the boards of associated companies Simms Sons and Cooke (Northern) and Cementation Building.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	19 %
Banco de Bilbao	17 %	Langris Trust Ltd.	17 %
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	18 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Wintrust Secs. Ltd.	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

De Beers has maintained its position as leader of the diamond industry but it is today much more than a diamond mining company

Extracts from Mr H F Oppenheimer's statement

The year 1979 was in some respects a difficult one for the diamond trade and the Company's results were, in the circumstances, very satisfactory. The Group's net attributable profit at R742 million was virtually the same as in 1978. The composition of the profit was, however, markedly different in that the diamond account, at R831 million showed a reduction of R125 million as compared with 1978, whereas interest and dividend revenue at R312 million as compared with R234 million showed an increase of R78 million and tax and lease payments to the State at R355 million were R50 million lower partly as a result of higher capital expenditure. The reduction in the diamond account is due partly to higher working costs and partly to the fact that there were less sales by The Diamond Corporation from old stocks held at low prices. In the main the increased revenue from investments reflects higher dividends from our major shareholdings in Anglo American Corporation and AECI as well as larger dividends from our trade investment in De Beers Botswana Mining Company. In these circumstances and in spite of difficult trading conditions a good start has been made in 1980 and deferred dividends were raised from 65 cents to 72.5 cents per share. Net current assets at 31st December 1979 after providing for the dividend amounted to R787 million.

The book value of the Group's investments and long-term loans increased during the year by R221 million to R784 million. The value of these investments and loans, was R2,304 million as compared with R1,073 million last year. After deducting those foreign loans that have been used for investment purposes and allowing for minority interests the total value of net investments, loan levy at R121 million and net current assets attributable to De Beers at 31st December was R3,011 million or 837 cents per deferred share as compared with 530 cents the previous year.

Market conditions

Throughout 1979 the demand for diamonds of one carat in weight and upwards remained strong and this has continued in 1980. Two price increases for large diamonds were readily absorbed by the market. The demand for the small sizes of diamonds however has been and remains weak. At the beginning of this year some improvement in market demand overall made itself felt but the rise in interest rates to unprecedented levels is likely to create increasing financing problems in the cutting centres where the holding of stocks has become extremely expensive and, as a result, the position has become more uncertain. Market conditions for the rest of the year will obviously depend to a large extent on developments in the American economy and we expect the weakness in the demand for small sizes to continue. In spite of these difficulties sales by CSO have so far been higher than last year and it looks as though the current level of sales is likely to be maintained for the rest of the year.

The market for industrial diamonds remained firm throughout the year. However, a reduction in the supply of natural industrial diamonds has forced a substantial swing away from natural to synthetic diamond in this field. Our industrial division was able to adapt itself successfully to these conditions and major expansion programmes are underway at the Group's synthetic diamond factories. The industrial diamond market continues to expand and we are well placed, both technically and commercially, to take advantage of this situation.

Diamond production by the Group amounted to 13,985,000 carats as compared with 11,995,000 carats in 1978. Of the increase of 1,990,000 carats, the Orapa mine in Botswana accounted for 1,637,000 carats and there was a substantial increase of 475,000 carats from Namaqualand. The CDM production, at 1,653,000 carats was down by 246,000 carats and further reductions in the output from this source must be expected over the years ahead. It is important, both for the diamond industry and for the emerging state of Namibia which last year received by way of tax and loan levy 64 per cent of CDM's mining profits, that the life of this property should be extended for as long a period as is economically possible and to this end a major prospecting campaign is in progress both within and to the north of the company's present mining area and in the offshore concessions of the Marine Diamond Corporation which are at present leased to CDM. CDM remains a very important contributor to the profits of the De Beers Group, though the proportion of total profits derived from South West Africa/Namibia, amounting in 1979 to 18 per cent, is less than it used to be in the past.

Expansion programme

The expansion programme at the Finsch mine is nearing completion. The new plant will be in operation in the middle of the year and production is scheduled to rise from the present level of slightly in excess of 2.5 million carats to approximately 4.5 million carats per annum. Excellent progress is being made in the development of the Jwaneng mine in southern Botswana. This is an exceptionally important project which is estimated to cost Pula 280 million to complete. The mine is planned to come into production in 1982 at a treatment rate of 4.8 million tons per annum. Revenue from diamonds is already a very important element in the national income of Botswana and will become very much more important when Jwaneng reaches full production. It is not too much to say that the interest of the government of Botswana in the stability and prosperity of the diamond industry is virtually as great as that of the De Beers Company itself and I am glad to be able to report that the relationship between the Government and the Company is smooth and co-operative.

We have over a number of years been pursuing a policy in regard to employment practices designed to eliminate all traces of racial discrimination in the affairs of the Company. The annual wage award made to mine employees in June of last year finally established a fully integrated wage scale for all employees, irrespective of race, in the Group mines in South Africa and South West Africa/Namibia, and earnings of unskilled mine employees are in excess of the supplementary living level established by the University of South Africa. In Botswana and Lesotho mine wages are negotiated and fixed in consultation with the governments of those countries.

Other investments

A feature of the accounts is the massive investments of De Beers in companies outside the diamond industry, and the important income which we derived from these diversified sources. During the year the book value of listed investments increased by R202 million which is largely accounted for by the acquisition of an additional 5 per cent in the capital of Anglo American Corporation, and an increase in our interest in Minerals and Resources Corporation (Minorco). Anglo American published excellent interim results and substantially increased its interim dividend. There is every reason to expect that its final accounts for the year will prove equally satisfactory. The interests of Minorco are for much the greater part outside South Africa, especially in North America and our investment in this growing company provides a desirable measure of diversification in our holdings. Minorco has interesting prospects before it which will be actively pursued. By the year end we had acquired an interest of just under 5 per cent in Consolidated Gold Fields Limited and after the year end we increased this interest to approximately 25 per cent and sold half of the total to Anglo American. Consolidated Gold Fields which is based in Britain is a widely diversified and efficiently managed company with important interests in Britain, South Africa, the United States and Australia. This large investment in Consolidated Gold Fields will further strengthen and diversify our portfolio.

While the outlook for the diamond industry is not without its problems, it is on the whole satisfactory and this, taken together with our growing diversified holdings in other businesses, gives good reason to expect satisfactory results for the present year. De Beers has successfully maintained its position as leader of the diamond industry but it is today very much more than a diamond mining company. It has therefore achieved a greater solidity than ever in the past.

THE CENTRAL SELLING ORGANISATION and the diamond industry

Most of the world's rough diamonds pass through the London offices of the Central Selling Organisation (CSO). A group of specialist diamond marketing companies associated with De Beers, the CSO is effectively a producers' co-operative.

Substantial financial resources coupled with technical and administrative expertise enable the CSO to provide the best outlet for producers' diamonds whatever the state of demand. These diamonds, which include De Beers' production, are sold by the CSO at a rate the market can absorb.

On arrival in London the rough diamonds are sorted and valued into some 3,000 different classifications by size, shape, colour and quality. Over 400 specialist sorting staff are assisted by computer-linked machines developed by the CSO, although the more intricate preparations necessitate individual hand-sorting.

Industrial diamonds are sold separately while the rough gems are offered for sale ten times a year at "sights". Before each sight the clients—from the cutting centres—submit their requirements which are matched by the CSO as far as possible. It has long been recognised that fluctuating economic conditions are the cause of the cyclical movement in demand for rough diamonds, thus the CSO's matching of supply with demand helps to ensure market stability. Rough diamonds for which there is temporarily no call are held in stock.

On reaching the cutting centres the diamonds undergo the highly skilled techniques of cutting and polishing before being sold to wholesalers and jewellery manufacturers and finally arrive at the retail jeweller. De Beers maintains international promotional activities for diamond jewellery.

De Beers

De Beers Consolidated Mines Limited

De Beers Consolidated Mines Limited
Incorporated in the Republic of South Africa

For the full Report & Accounts for 1979 including the Chairman's Statement, please send this coupon to:
The London Secretaries, Room 1, 40 Holborn Viaduct, London EC1P 1AJ.

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Company ____________________

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INTERNATIONAL COMPANIES and FINANCE

INTERNATIONAL BONDS

Investor demand sustained by interest rate hopes

BY FRANCIS GHILES

INVESTOR DEMAND for new and old paper in all major currencies sectors of the Eurobond market was sustained at a high level yesterday on the conviction that interest rates have reached their peak or are on their way down.

Yesterday's decision by the Bundesbank to raise both the bank and the Lombard rates convinced many investors, not least outside Germany, that German interest rates had peaked. Demand for outstanding bonds was said by dealers in Frankfurt to be steady, and all signs point to a good reception for the DM 100m seven-year private placement for Oesterreichische Kontrollbank, which is being arranged through Bayerische Landesbank. This issue, which is being placed by the lead manager and Swiss Bank Corporation, carries a coupon of 9 per cent.

In the dollar sector, prices of outstanding bonds posted gains of around ½ a point, while the $75m 12¼ per cent bond to 1985 for Federal Business Development Corporation, launched on Tuesday, was well received. Its pre-market quote stands at around par.

Investors were encouraged yesterday by a further fall in the Eurodollar rates: the three-month rate fell ⅛ per cent to 14 per cent.

Sterling-denominated bonds also posted gains of up to 1¼ points on expectations of an early fall in Minimum Lending Rate.

$150m credit for Argentina

BY PETER MONTAGNON

ARGENTINA'S highway concern, Autopistas Urbanas, is to raise an eight-year, $150m syndicated credit through a group of international banks under the leadership of Banco Hispano Americano. Terms show that the credit rating of public sector borrowers in Argentina do not appear to have been affected by banking problems in that country.

The credit bears a split spread of ⅞ per cent for the first four years, rising to ⅞ per cent thereafter. There is a five-year grace period and the front end fee is ⅞ per cent.

These conditions are broadly the same as those on the recent credt for Agua y Energia Electrica. Although bidding for the credit closed before Monday's news that the central bank had taken over control of the country's three largest banks, Eurobankers in London said that this development was not likely to undermine the credit rating of the country

Other banks participating in the management group are Libra Bank, which will act as agent, European Arab Bank, Intermex, National Westminster, Nippon European Bank, Royal Bank of Canada (London) and Ste Generale de Banque.

Financial General in proxy fight

RICHMOND — Financial General Bankshares, a holding company engaged in commercial banking and real estate management, yesterday adjourned its annual meeting until May 7 to allow tabulations of proxies by J. Henry Shcroder Bank Trust of New York City.

At stake is a challenge by a group of Middle East investors who are trying to pass resolutions aimed at putting three dissident directors on the company's 16-member Board.

The group also has resolutions requesting that stockholders themselves be allowed to consider a proposed tender offer of at least $25 a share by the Middle East group which is led by Sheik Adhan of Saudi Arabia.

Another resolution calls for Financial General's management and oBard to permit the Federal Reserve and other regulatory authorities to consider the tender offer.

Schroder is tobe the inspector for the election and will announce results on the morning of May 7, Financial General said.

At the annual meeting, the Middle East group's attorney, Mr. Clark Clifford, said the tender offer included only common stock and not Class A shares.

Trading in Financial General stock on the Amex has been suspended in recent days because it was not known if Class A stock was included in the tender offer.

AP-DJ

ARGENTINA'S BANKING CRISIS

When the watchdog lacks bite

BY MICHAEL LAFFERTY IN LONDON AND ROBERT LINDLEY IN BUENOS AIRES

The Argentinian banking crisis, as a result of which a number of large private banks have collapsed or had to be supported, will have surprised few foreign bankers. Problems have been on the cards ever since 1976 when the military Junta came to power and pledged a return to a free enterprise economy.

During the period from September 1973, when the "Peronist" party was returned to power, and May 1977, when the new banking system took effect, the banks had merely been agents of the central bank. There was deemed to be total centralisation of deposits, and the central bank was the only institution auhorised o receive and hold deposis.

Another vital characteristic of banking system during this period was the government's policy on interest rates. These were not free, were fixed by the central bank, and were negative in real terms.

As a consequence of all this banks were reduced to the role of administrative financial interest rates. These were not free, were fixed by the central bank, and were negative in real terms.

As a consequence of all this banks were reduced to the role of administrative financial intermediaries. There was very little need to analyse the creditworthiness of borrowers, as loans made at negative interest rates were not unduly burdensome, and banks did not have to market their services. At the same time depositors were not concerned because all deposits were guaranteed by the state.

All this changed substantially under President Videla's regime. Since May 1977 interest rates have been freely fixed by market forces and have become real in many cases. Banks have been allowed to collect deposits and act in their own right.

It was generally expected that the effect would be a reduction in the number of banks which had proliferated under the old system, both through mergers and failures. Indeed a new law specifically laid down the procedures to be followed in the event of bank liquidation.

The central bank did not have to wait long. Between November 1978 and the end of 1979 at least five banks, all comparatively small, were forced into liquidation.

The big crashes came this year. On March 6 the central bank was forced to liquidate the Promosur Finance Company, Argentina's second largest finance house, and on March 28 it had to liquidate Banco de Intercambio Regional (BIR), the country's largest private bank in terms of deposits.

The crisis continued into April, and last Friday the central bank was forced to place three more large private banks under trusteeship—Banco de Los Andes, the Banco Oddone, and the Banco Internacional. Together with BIR, these banks accounted for 12 per cent of total deposits in banking institutions in Argentina.

On the face of it, the biggest culprit of the present crisis is BIR. Of the four troubled private banks, it alone has been liquidated. Furthermore, an arrest order is out for its president, Jose Trozzo, who is thought to have fled to Mexico —while several of BIR's senior officials, including two retired air force officers, have been barred from leaving the country.

> **Inadequate central supervision led to the collapse of several private banks like BIR which went for rapid expansion without proper regard for profitability.**

BIR's downfall has long been speculated about in Argentina. It had made itself highly unpopular within the banking industry in 1971 by breaking the gentleman's agreement that provincial banks would not seek to establish branches in the federal city of Buenos Aires. When the new banking legislation tooq effect in 1977 BIR opened 10 branches on the first day.

BCA Banking Analysis, the London-based bank research organisation, reports that between the end of 1976 and the end of 1978 BIR opened a total of 50 branches, becoming the private bank with the largest network in the provinces, as well as good coverage in Greater Buenos Aires. As a result BIR moved to first place in the ranking of private banks in terms of deposits, whereas in 1976 it ranked 18th.

Recognising its newfound status, BIR opened a representative office in New York in 1977 and further offices in Washington, DC, and Paris in 1978.

An IBCA report on the bank early this year suggested that the expansion might have been overdone: "This rapid expansion has inflicted heavy demands on BIR's resources and it has had an effect on its profit performance, capital adequacy and liquidity."

It is not easy to make much sense of bank accounts in many countries, and those of BIR for 1978 were up to unexacting Argentinian standards. However, they contained sufficient information for IBCA to conclude that BIR was having serious problems with its loans. Non-performing loans were more tha ntwice those at other banks, and there had been a large increase in real estate lending.

IBCA also concluded that BIR's expansion had resulted in very low levels of profitability. "Given this unfavourable background we believe deposit relationships should be reinforced by close management contacts and a thorough continuing analysis of the bak's position."

Despite all this, and widespread rumour in Buenos Aires about the bank for more than a year, a number of foreign banks, including several in the U.S., had deposits outstanding with BIR when it failed.

Much of the blame for what has happened must accrue to the central bank, which was responsible for supervision of banks like BIR. One story which was being told in London yesterday was that it had sought to investigate BIR on a number of occasions—only to have its staff hired by the bank at much higher salaries instead.

The Government's attempts to restore confidence have not been entirely successful so far. Freightened depositors continue to withdraw their deposits from the private banks, and all too often shift them to the state banks, which still pay negative interest rates in many cases.

The state banks, rarely notable for their efficiency, can hardly cope with all the new business. They are simply not accustomed to such high levels of business.

U.S. Steel back to profit

BY DAVID LASCELLES IN NEW YORK

U.S. STEEL, the country's largest steelmaker, pulled back into the black in the first quarter of this year, but mainly because of the success of its non-steel business.

Earnings reported yesterday were $126m, $1.45 a share down from last year's $137.3m, $1.60 a share, but up substantially on the 1979 final quarter loss of $561m. Last year's quarter included $90.4m in accounting changes.

Sales rose slightly from $3.1bn to $3.2bn. Mr. David Roderick, chairman, said that all segments of U.S. Steel's operations were profitable.

The slump in the car and housing market helped drag steel shipments down from 5.5m tons in last year's first quarter to 4.9m tons this year. But Mr. Roderick added: "unfairly priced imports continue to adversely affect profitability." He noted, in connection with the anti-dumping suit U.S. Steel has launched against European steel makers, that while domestic steel shipments dropped in the first two months of this year, imports rose 13 per cent.

Meanwhile Bethelehem Steel, the second largest U.S. steelmaker, had a slight fall in profits in the first quarter, but sharply declining demand from the motor industry was somewhat offset by a better performance in the company's shipyards, Ian Hargreaves writes from New York.

First quarter net income of $54.4m was down from $59.2m a year earlier but sales rose to $1.95bn from $1.75bn.

Steel of Canada growth

BY ROBERT GIBBENS

STEEL COMPANY of Canada (Stelco), Canada's largest steelmaker, earned C$39.1m or C$1.39 a share in the first quarter of 1980, against C$30.6m or C$1.11 a year earlier, on revenues of C$568m against C$519m.

The company states that short-term prospects are considered good, but adds that the outlook for the second half is more uncertain.

Canada's third largest steel firm, Algoma Steel, which specialises in plate and heavy products, earned C$24.4m or C$1.85 a share in the first, against C$20.2m or C$1.51 a year earlier, on volume of C$289m against C$244m. The company says demand for sheet has weakened but plate, structural and rails have remained firm. Demand for seamless tube is buoyant.

Singer earnings fall by one-third

BY OUR FINANCIAL STAFF

THE EXPECTED operating loss on both North American and European consumer sales by Singer, the sewing machine maker, has brought a fall in first quarter earnings from $15.5m to $10m.

Mr. Joseph B. Flavin, chairman, says the first quarter went better than anticipated but added that the board is concerned about the effect that uncertain economic conditions in the U.S. could have on the outcome at Singer for the full year.

Sales for the opening quarter increased from $641.7m to $727.2m. The programme of restructuring sales operations in Europe and America brought higher manufacturing costs and expenses. Net income was also affected by higher interest charges but this was offset by other income and by lower foreign exchange losses.

On the brighter side, a strong performance came from consumer and home equipment sales in Africa, Latin America and the Far East, and from the products and services of the government division.

The company comments that income was also hit in the first quarter by a higher effective tax rate.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	80	88½	88¾	+0½	+0½	12.17
Australian Res. 9⅝ 84	30	92½	93	+0½	+1½	11.86
Avco O/S Cap. 10½ 87	40	80	80½	+0¼	+0⅛	14.97
Beneficial Fin. 9¼ 87 ...	100	88⅝	89⅛	+0⅛	−0⅛	12.13
CECA Grad. Rate 12 86	100	†95	95½	+0⅛	+0½	13.57
CECA 11¼ 90	50	93½	94½	+0¼	+2	12.71
Canadian Pacific 9⅛ 89	50	89⅝	89⅞	+0½	+0⅛	11.88
Carter Hawley 9¾ 86 ...	50	89⅝	90⅛	+0⅛	+0⅛	12.16
Comalco Inv. E. 10⅛ 91	40	90½	90⅞	+0⅛	+2	11.83
Continental Grp. 9⅛ 86	100	88⅝	88⅞	0	+0⅛	12.12
Dome Petroleum 10 94	64	82¼	82¾	+1	+0⅛	12.71
Dominion Bridge 10¼ 84	30	92¼	92¾	+0⅛	+0⅛	12.72
EIB 11¼ 92	80	92⅞	93⅜	+0⅛	+1	12.89
EIB 10.15 99	100	†92¾	94⅛	+0½	−0⅛	12.82
EIB 13⅛ 90	100	102⅜	103⅛	+0⅛	+1½	13.19
Eurofima 11½ 87	50	96½	96⅞	+0⅛	+1⅞	11.98
Export Dv. Cpn. 9⅛ 84	100	91½	92¼	+0⅛	+0⅛	11.95
Export Dv. Cpn. 9⅜ 84	150	92¼	93¼	+0½	+0⅛	11.87
Finland 9⅜ 89	100	†84	84½	−0⅛	−0⅛	12.95
GTE Finance 9⅛ 89 ...	55	86⅝	86⅞	+0⅛	+0⅛	12.35
GMAC 9⅜ 89	75	89⅞	90⅜	+0⅛	+1⅛	11.61
GMAC O/S Fin. 11 84	100	95⅝	96⅛	+0⅛	+0⅛	12.02
GMAC O/S Fin. 13½ 86	100	102¼	102½	+0⅛	+1½	12.55
Gould Int. Fin 9⅛ 85...	50	90⅛	90⅝	+0⅛	−0⅛	12.50
ITT Antilles 9½ 89	75	86⅝	87⅛	0	+1⅛	11.31
Kennecott Int. 9½ 86...	100	86⅞	87⅛	+0⅛	0	12.70
Manitoba 9⅞ 89	75	86⅞	87⅜	+1	+1⅛	11.92
Michelin 10 94	125	86⅝	86⅞	+0⅛	0	11.98
Nat. Des. Telecm. 9½ 86	150	89⅝	90⅛	+0⅛	+0⅛	11.84
New Brunswick 9⅛ 94	75	83⅞	84⅜	+0⅛	+0½	12.21
Newfoundland 10 94	50	88½	89	+0⅛	+0⅛	11.67
Norges Komm. 9⅞ 99...	100	†82⅞	83⅜	−0⅛	−1	12.59
Norway 9½ 84	150	93⅛	93⅝	0	0	11.62
Nova Scotia Pwr. 9⅜ 89	50	87⅛	87⅝	+0⅛	+1½	12.07
Pennwalt O/S F. 9⅛ 84	25	92⅜	93⅛	+0⅛	+0⅛	12.00
Pepsico Cap. 9⅛ 84 ...	100	92⅞	93⅛	+0⅛	+0⅞	11.56
Quebec Hydro 10 99...	75	82	82½	−0⅛	+0⅛	12.48
Sears Roebuck 9 82 ...	150	94⅞	95⅛	+0½	+1	12.22
Statoil 9⅝ 89	100	87½	88	+0⅛	−0⅛	11.86
Sweden 9⅜ 89	100	88⅛	88⅝	+0⅛	−0⅛	11.90
Sweden 9⅞ 86	200	†89½	90½	−0½	−0⅛	11.24
Sweden 9⅛ 84	100	93⅝	94⅛	+0⅛	+0⅛	11.61
Unilever NV 9⅛ 87	100	88⅛	88⅝	+0⅛	+0⅛	11.68
Warner-Lambert 9 84	100	90½	91	+0⅛	+0½	11.92
Quebec 10⅛ 86 C$	50	89½	91	+2⅛	+2⅞	12.67
R. Bk. Canada 10 86 C$	40	88⅛	88⅞	+1⅛	+0⅛	12.81
R. Bk. Canada 10 94 C$	40	82⅞	83⅛	+1½	+2⅛	12.64
Copenhagen 8⅛ 91 EUA	20	92	93½	+0⅛	+0½	8.82
M. Bk. Dnmk. 9 91 EUA	25	93⅛	95	0	+1⅛	9.82
SOFTE 8⅛ 89 EUA	40	82½	83⅛	−0⅛	−0⅛	11.35
U. Bk. Nrwy. 9½ 90 EUA	18	96⅛	98	0	0	9.92
Anglemans Bk. 8¾ 84 Fl	75	97½	97⅞	0	+0⅛	8.98
Ned. Gasunie 8⅛ 84 Fl	50	97⅛	97⅝	0	+1	9.49
Ned. Middbk. 8⅛ 84 Fl	75	95⅞	96⅛	0	+0⅛	9.72
Norway 8⅛ 84 Fl	100	96⅛	96⅝	0	+0⅞	9.40
Norway 8⅛ 84 Fl	100	96	96½	0	+1⅛	9.30
Philips Lamps 8⅛ 84 Fl	75	95⅞	96⅛	0	+0⅛	9.60
Air France 11 84 FFr ...	120	94⅞	95½	+0½	+1⅞	12.55
CECA 14⅛ 88 FFr	150	104½	105½	−0½	+1⅞	13.00
Euratom 9⅛ 87 FFr	150	84⅛	84⅞	0	+0⅛	13.24
Finland 11 84 FFr	80	93⅞	94⅜	0	+0⅞	12.72
Finland 11½ 89 FFr	70	90	91	+0½	+1	13.29
Gaz de France 11 84 FFr	150	93½	94⅛	0	+0⅞	12.82
IBM France 11⅛ 84 FFr	120	95½	96⅛	0	+2⅛	12.99
Renault 9⅞ 85 FFr	100	84⅞	85⅛	−0⅛	+1½	13.98
Saint-Gobain 9⅞ 86 FFr	130	84⅞	85⅜	+0½	+1	13.53
Solvay et Cie 9⅞ 87 FFr	125	82	82⅞	0	+0⅛	13.85
Citicorp O/S 13½ 90 £	50	95⅛	96⅛	+1½	+1⅞	14.38
EIB 11½ 91 £	25	88⅛	88⅞	+1	+0⅛	13.54
Finance for Ind. 13 91 £	15	94⅜	94⅞	+1⅛	+2⅛	13.97
Fin. for Ind. 12½ 89 £	30	90⅜	90⅞	+1⅛	+2	14.38
Fin. for Ind. 14½ 88 £	20	100⅛	100⅜	+1⅛	+2	14.36
Gen. Elec. Co. 12½ 89 £	50	92⅜	93⅛	+1⅞	+2	13.96
Swed. Ex. Cr. 15⅛ 85 £	20	100⅜	101⅛	+0⅛	+1⅛	14.94
Indonesia 8⅛ 91 KD ...	7	†93	93½	0	0	9.76
Mitsubishi 7½ 84 KD ...	10	†89½	90	0	−0⅛	10.60
Norges Kom. 7½ 89 KD	12	†93⅛	93⅞	0	0	8.54
Occidental 8⅛ 91 KD ...	7	†90⅜	90⅞	0	0	9.69
Akzo 9⅛ 87 LuxFr	500	90⅛	91⅛	0	+0⅞	11.03
Euratom 8 87 LuxFr ...	500	86⅞	87⅜	0	+1⅛	10.79
Euratom 9⅛ 88 LuxFr ...	500	97	98	−0⅛	+0⅛	10.22
EIB 9⅛ 88 LuxFr	600	97⅛	98½	+0⅛	+1⅛	10.19
Volvo 9⅛ 87 LuxFr	500	96⅞	97⅞	+0⅛	+1⅛	10.24

Average price changes... On day +0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8½ 90	250	88	88⅜	+0⅛	+0⅛	9.16
Asian Dev. Bk. 7⅛ 89...	100	97⅛	98⅛	−0⅛	−0½	8.41
BFCE 7¾ 87	100	95⅜	96⅛	+0⅛	+1	8.52
BFCE 8⅛ 95	100	93⅜	94½	+0⅛	+0½	8.85
Brazil 8 87	150	91½	91⅞	+1	0	9.67
CECA 7 91	150	89	89⅜	+0⅛	−0⅛	8.53
Council of Eur. 7⅛ 89 ..	100	92¼	92⅞	+0½	+2⅛	8.47
Denmark 7⅞ 86	100	94⅜	95⅛	+0⅛	−0⅛	9.07
Denmark 8⅛ 92	100	94½	96½	+0½	+0⅛	8.86
EEC 7⅛ 94	225	94	94⅜	+0½	+0⅛	8.56
EIB 7½ 89	200	92½	93⅛	+0⅞	−0⅞	8.65
Finland Rep. of 8 86 ..	150	95⅜	96⅛	0	+0½	8.75
Kobe, City of 7½ 89...	150	90⅛	90⅞	0	+1⅛	8.63
Neder. Gasunie 8 88 ..	100	98⅛	98⅝	+0½	0	8.29
New Zealand 7⅞ 87...	200	92⅜	93⅛	+0⅛	+0⅛	8.47
Norway 7½ 85	250	97⅛	97⅝	+0⅛	+0⅛	8.14
OKB 7⅛ 89	100	91⅛	91⅞	+0⅛	+1⅛	8.72
Oslo, City of 8⅛ 90...	80	98½	99½	+0½	+1⅛	8.90
Sweden 9⅛ 87	200	106⅛	107	0	+0⅛	8.44
World Bank 7⅛ 91 ...	400	91⅞	92⅜	+0½	+0⅛	8.88
World Bank 7⅛ 90	250	93⅞	94⅜	+0⅛	+0⅛	8.77
World Bank 10 86	150	104⅜	105⅛	+0⅛	+0⅛	8.84
World Bank 10 90	200	105⅛	106	+0⅛	+1	9.12

Average price changes .. On day +0½ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	92	92½	0	+1	6.55
Aumar 5 89	60	95	95½	+0½	+4	5.69
Australia 3⅛ 89	250	89⅞	90⅜	+0⅛	+1⅛	5.02
Bergen, City of 4⅞ 91...	40	90	90½	−0⅛	+1⅛	5.96
BNDE 5 89	75	86⅞	87⅜	+0⅛	+1	6.95
BMW Overseas 4⅛ 91...	100	91⅛	91⅝	+0⅛	+0⅛	5.27
Caisse Nat. Tele. 4⅛ 89	100	92½	93	0	+2	5.38
CCCE 5⅛ 90	100	100	100½	+0⅛	+1	5.71
Copenhagen 4½ 91	80	87½	88	+1	+2⅛	6.01
Council of Eur. 5 89 ...	100	94½	95	−0½	+3⅛	5.72
EIB 4½ 91	100	89	89½	0	+1⅛	5.64
EIB 4⅛ 94	100	85½	86	+0⅛	+0⅛	5.87
Elec. de France 4⅞ 89...	100	94⅞	95⅜	+0⅛	+3⅛	5.08
GZB 4½ 89	100	88⅞	89	+0⅛	+0⅛	5.80
Helo 4½ 91	35	94½	95	+2½	+5	4.85
Int.-Amer. Dev. 4½ 89	100	88⅞	89	+0⅛	+2⅛	6.10
Jutland Tele. 5½ 90 ...	60	99⅝	100½	+0⅛	+0⅛	5.48
Malaysia 5 89	80	87	87½	−0½	+0⅛	6.87
Nippon Tel. & T. 4⅛ 89	100	92	92½	0	+0½	5.31
Nordic Bank 5 89	45	96⅞	97⅛	−0⅛	+2⅛	5.42
Norges Komm. 4⅛ 91..	100	87⅛	87⅝	0	+0⅞	5.89
OKB 3⅞ 91	100	82⅜	83	+0⅛	+0⅞	5.93
OKB 4⅛ 89	100	87⅜	87⅞	+0⅛	+1	5.90
OKB 6 90	100	102	102½	+0½	+1½	5.71
Oslo, City of 4⅛ 91 ...	100	87⅛	87⅝	+0½	+0⅛	6.92
Shikoku El. Pwr. 4⅛ 89	100	93½	94	0	−0⅛	5.63
Stowarn 4⅛ 91	60	93	93½	+1½	+3	5.57
Voest-Alpine 4⅛ 89 ...	30	85½	86	+2½	+1	5.35
World Bank 4⅝ 89	100	93	93½	+1	+1½	5.57
World Bank 4⅛ 85	150	89½	90	+0½	+0½	5.82
World Bank 4⅝ 91	100	90	90½	−0½	+2⅞	5.81

Average price changes... On day +0⅛ on week +1⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.8 85	30	87½	88⅛	+0½	+0⅞	9.81
Australia 6½ 88	20	81⅛	82⅛	+1⅛	+2⅛	8.80
EIB 7⅛ 89	12	89⅝	91⅛	+0⅛	+1⅛	9.35
Finland 5.6 83	10	86⅞	87⅜	0	+0⅛	10.06
Finland 6.8 88	10	82½	83½	0	+3⅛	9.35

Average price changes .. On day +0½ on week +1⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅛ 88 C$	60	*89⅞	90⅜	—	—	12.08
Cr. Foncier 10⅛ 84 C$	30	87	88	+0⅛	+0⅞	14.36
Ex. Dev. Cpn. 10 84 C$	60	88½	89⅛	+0⅛	−2⅛	13.58
Fst. Can. Inv. 10 84 C$	50	89⅛	89⅝	+1½	−1	13.53
Hudson Bay 10½ 89 C$	60	88⅛	88⅝	+0½	+1⅛	12.74

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87...	0¼	97½	98	2/7	15⅛	15.47
Banco di Roma Int. 6 87	0⅛	99	99½	26/10	15.31	15.43
Bank of Ireland 5⅛ 89...	‡0¼	98⅛	98⅝	21/5	16⅛	16.39
Bank of Tokyo 5⅛ 89 ...	‡0⅛	97½	98	25/10	15.56	15.94
Barclays O/S Inv. 5 90	0¼	97½	98	13/6	14⅛	14.58
Bergen Bk. A/S 6 89 ...	‡0⅛	97⅛	97⅝	29/5	17⅛	17.57
Bque. Indo Suez 5⅛ 89	0¼	98	98½	11/7	14.69	14.95
Citicorp O/S F. 6 94 ...	‡0¼	99⅝	99⅞	8/6	18.81	18.88
Citicorp O/S F. 83	§‡0	99⅛	99⅝	23/5	16.06	16.16
Citicorp O/S F. 84	‡0	99⅜	99⅝	30/5	16.94	17.02
C. Itoh 5⅛ 87	0⅛	100⅛	100⅝	18/9	19.44	19.37
Co-operative Bk. 6 86...	0¼	97⅞	98⅜	15/5	15.06	15.35
Creditanstalt 5½ 91	§‡0¼	99⅛	99⅝	14/6	18.44	18.53
CNT 5⅞ 86	§0⅛	99⅞	100⅛	16/10	18⅛	18.10
GZB 5½ 89	‡0⅛	98⅛	98⅝	1/5	14⅝	14.85
Jugobanka 8 89	0⅞	92⅜	93⅛	23/5	16	17.25
Ind. Bank Japan 5⅛ 87	0⅛	100	100½	15/10	18⅝	18.70
LTCB Japan 5⅛ 86	0¼	98	98½	13/6	14⅜	14.50
LTCB Japan 5½ 89	0¼	97	97½	7/6	14.19	14.59
Mfrs. Han. O/S 5⅛ 94...	§0⅛	99⅛	99⅝	30/5	17⅛	17.23
Midland Intl. Fin. 5 89	0¼	99⅝	100⅛	20/6	15	15.02
Nacional Fin. 6⅛ 86 ..	0¼	98⅜	98⅞	26/7	14.69	14.91
Nat. West. 5⅛ 94	§0⅛	100	100½	11/10	18⅝	18.58
Nippon Credit 6⅛ 86 ...	0¼	96⅝	97⅛	12/7	14.44	14.90
Nippon Credit 5⅛ 87 ...	‡0⅛	97½	98	6/5	14.69	15.03
Royal Bk. Scot. 5⅛ 94	§‡0⅛	99⅜	99⅞	11/7	19½	19.57
Soc. C.-d Bque. 6½ 87	0⅛	100½	101	3/10	20.06	19.91
Sogenal 5⅛ 89	§0⅛	97⅛	97⅝	13/7	14.44	14.81
Standard Chart. 5⅛ 90...	0¼	99⅝	100⅛	6/9	17⅛	17.27
Sweden 8⅛ 91	‡0⅛	†97⅛	97⅝	18/10	18⅝	19.10
TVO Pwr. 9 91 (D-lock)	0⅛	†96½	97	24/5	16.31	15.83
Williams & Glyn 5⅛ 91	0⅛	99⅝	100⅛	14/6	18½	18.50
Sq. E. d'Alg. 4⅛ 89 SF	0⅞	87½	88	18/6	6.69	7.62

Average price changes... On day +0½ on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅛ 89...	10/79	145	†108	109	+1	−11.13
Ajinomoto 7⅛ 95	2/80	618	95⅝	96⅛	+0⅛	−1.71
Alco Int. Fin. 9½ 94 ...	1/80	40	†87½	88½	+0⅛	32.83
Asahi Optical 7 94	11/79	605	92⅝	93⅝	0	14.91
Canon 6⅛ 94	8/79	570	98⅛	99⅛	+0⅛	−2.88
Ciba-Geigy O/S F. 4 94	9/79	675	*†72½	74½	+1½	4.78
Credit Suisse 4⅛ 93 ...	10/79	1325	98⅛	100	+2⅛	5.62
Daiei Inc. 6½ 94	11/79	1020	94⅞	95⅞	+0½	41.58
Enserch Fin. 9½ 94	7/80	30.26	103⅛	104½	+0½	7.45
LPC Internatnl. 8 89 ..	9/79	23.33	*†95	96½	−0½	30.41
Meidensha Elec. 7 84...	12/79	210	93⅛	94⅛	+0⅛	13.30
Mitsubishi Cp. 6⅛ 94...	10/79	604	†123½	125	+0⅛	12.71
Nippon Seiko 7⅛ 94 ...	12/79	339	†106½	107½	0	−1.24
Nitto Elec. Ind. 6 94 ...	7/79	735	71	72½	0	−0.32
Toshiba Cpn. 7⅛ 94 ...	10/79	198	94⅛	95⅛	+0⅛	2.82
Union Bk. Switz. 5 89...	2/80	125	93	94	+0⅛	1.63
Fujitsu 5 84 DM	7/79	475	95⅛	95⅞	−0½	11.23
Kansai Elec. 4 84 DM...	4/79	1234	86	87	+0⅛	61.83
Tokyu Ld. Cp. 4 86 DM	4/79	493	75½	76½	+0⅛	46.81
Uny Co. 6½ 85 DM	11/79	1071	90⅛	91½	+0⅛	48.03

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

H. F. AHMANSON

First quarter	1980 $	1979 $
Revenue	329.5m	283.6m
Net profits	20.7m	28.4m
Net per share	0.90	1.24

BLISS & LAUGHLIN

First quarter	1980 $	1979 $
Net profits	4.97m	3.39m
Net per share	0.81	0.59

CHAMPION SPARK PLUGS

	1980	1979
Revenue	224.3m	223.9m
Net profits	16.9m	19.6m
Net per share	0.44	0.51

CITIES SERVICE

	1980	1979
Net profits	170.1m	78.5m
Net per share	6.13	2.83

DETROIT EDISON

First quarter	1980 $	1979 $
Revenue	431.2m	432.5m
Net profits	34.4m	45.4m
Net per share	0.39	0.52

FIELDCREST MILLS

First quarter	1980 $	1979 $
Revenue	116.8m	104.2m
Net profits	3.06m	4.58m
Net per share	0.82	1.22

FLEXI-VAN

	1980	1979
Revenue	53m	44.7m
Net profits	4.94m	6.57m
Net per share	0.69	1.13

HARSCO

First quarter	1980 $	1979 $
Revenue	270m	200.4m
Net profits	11.88m	9.23m
Net per share	1.18	0 96

HEY FOODS

First quarter	1980 $	1979 $
Revenue	331 76m	277.85m
Net profits	13.25m	12.35m
Net per share	0.94	0.87

PHILIP A. HUNT CHEMICAL

First quarter	1980 $	1979 $
Revenue	26.7m	25m
Net profits	1.47m	1.81m
Net per share	0.26	0.32

KERR-McGEE

First quarter	1980 $	1979 $
Revenue	780.4m	601.9m
Net profits	47.14m	33.44m
Net per share	1.82	1.29

MACKE

Second quarter	1980 $	1979 $
Revenue	70.6m	65.5m
Net profits	1.23m	1.22m
Net per share	0 40	0.40
Six months		
Revenue	139.5m	128.3m
Net profits	2.22m	2.59m
Net per share	0.72	0.85

THASCO

First quarter	1980 $	1979 $
Revenue	178.1m	170.5m
Net profits	126.000	519.000
Net per share	0.02	0.07

NALCO CHEMICAL

First quarter	1980 $	1979 $
Revenue	147.4m	138.6m
Net profits	16.2m	15.3m
Net per share	0.81	0.77

NATIONAL MEDICAL CARE

First quarter	1980 $	1979 $
Revenue	55m	43.8m
Net profits	5.43m	4.32m
Net per share	0.62	0.49

PANCANADIAN PETROLEUM

First quarter	1980 $	1979 $
Revenue	143.8m	100.9m
Net profits	59.5m	40.6m
Net per share	1.91	1.30

PETROLANE

Second quarter	1980 $	1979 $
Revenue	382.9m	295.5m
Net profits	20.96m	16.6m
Net per share	0.83	0.66
Revenue	733.3m	557.3m
Net profits	40.43m	32.22m
Net per share	1.60	1.29

PRENTICE-HALL

First quarter	1980 $	1979 $
Revenue	76.5m	59.7m
Net profits	3.05m	3.09m
Net per share	0.31	0.31

RESORTS INTERNATIONAL

First quarter	1980 $	1979 $
Revenue	96.03m	84.29m
Net profits	14.22m	18.98m
Net per share	1.12	1.51

A. H. ROBINS

First quarter	1980 $	1979 $
Revenue	104.4m	93.7m
Net profits	9.33m	8.68m
Net per share	03.6	0.33

S'THERN NEW ENGLAND TEL.

First quarter	1980 $	1979 $
Revenue	192.4m	180.5m
Net profits	14.8m	18.8m
Net per share	1.06	1.43

STANDARD BRANDS PAINT

Second quarter	1980 $	1979 $
Revenue	44.8m	40.5m
Net profits	2.84m	2.79m
Net per share	0.54	0.52
Six months		
Net profits	6.52m	5.53m
Net per share	1.23	1.04

TEXAS GAS TRANSMISSION

First quarter	1980 $	1979 $
Revenue	585.3m	406.2m
Net profits	25.66m	16.21m
Net per share	1.22	0.77

TIMES MIRROR

First quarter	1980 $	1979 $
Revenue	403.3m	342.6m
Net profits	24.35m	28.29m
Net per share	0.71	0.83

TRANSCANADA PIPELINE

First quarter	1980 $	1979 $
Revenue	782.9m	627.3m
Net profits	22m	20.8m
Net per share	0.54	0.52

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	22.4.80	29.4.80	AVERAGE YIELD	22.4.80	29.4.80
DM Bonds	91.95	92.58	DM Bonds	9.103	8.984
HFL Bonds & Notes	91.02	91.45	HFL Bonds & Notes	10.236	10.137
U.S. $ Strt. Bonds	84.48	84.80	U.S. $ Strt. Bonds	12.058	11.887
Can. Dollar Bonds	85.12	86.07	Can. Dollar Bonds	12.885	12.891

CREDIT GUARANTEES

Japanese plan for developing nations

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

AN INTERNATIONAL credit guarantee system that would enably commercial banks to continue lending to non-oil producing developing countries in a future oil crisis has been proposed by Sumitomo Bank.

The system, modelled on the credit guarantee associations operating in Japanese prefectures, would charge borrowers a fee of 0.5 per cent for a service that would consist basically of shouldering interest payments on foreign currency loans in the event of default.

For the association take over interest payments on their loans, defaulting countries would have to accept guidance from it on the management of their economies.

The Sumitomo proposal has been made against the background of medium-term forecasts which suggest that OPEC surpluses may acumulate dangerously over the next few years with a corresponding decline in the creditworthiness of non-oil less-developed countries (LDC).

Sumitomo Bank believes that on the most probable of three scenarios the annual current account surplus of OPEC nations may reach $206bn by 1985. Some of this will be deposited with international banks which will then act as a recycling channel by lending the funds to developing countries. An increasing proportion of the OPEC surpluses, however, may be deposited in non-bank assets, Sumitomo believes.

Sumitomo estimates the annual financing needs of non-oil-producing developing countries (including Eastern European countries) at about $130bn per year. Of this about half is being provided by commercial banks. If defaults occurred on 10 per cent of this sum the amount of capital involved could be about $6.5bn, with interest payments running at $650m a year.

The bank calculates that half of this sum could be financed out of the 0.5 per cent credit guarantee fee that would be charged by the proposed association. The other half would ned to be raised in the form of revenue from contributions to the association by the International Monetary Fund or by member states.

The transfer to the association of 10 per cent of the IMF's current gold holdings (worth $50bn) would be more than enough to generate the necessary revenue, Sumitomo points out.

Sumitomo says that the credit guarantee system should be operated by a new international institution, not by an existing institution such as the IMF or the World Bank. This is necessary, it says, because many of the heaviest borrowers among non-oil DCs (including East European nations) are non-members of the IMF.

Sumitomo says it will discuss its proposals with other Japanese banks and with the Bank of Japan in the next few weeks to see whether it has enough support to be put forward internationally. Whether or not the proposal is taken up, the bank feels that action will be needed in the next few years to avoid a breakdown in the present machinery for recycling oil dollars.

Confusion at ENI as chairman resigns

BY PAUL BETTS IN ROME

ENI, Italy's giant state oil agency which supplies more than 50 per cent of the country's annual domestic hydrocarbons requirement was thrown yesterday into renewed turmoil following the surprise resignation of Sig. Egidio Egidi, ENI's chairman.

Sig. Egidi's resignation is already causing acute embarrassment for the Government and risks undermining one of Italy's healthier state sector conglomerates at a time when ENI was beng pressed to help the country resolve its increasing domestic oil supplies difficulties.

Sig. Egidi was appointed special commissioner of ENI at the end of last year following the suspension of Sig. Giorgio Mazzanti, the former chairman, in the wake of the scandal which led to the suspension by Saudi Arabia of all direct oil supplies to ENI. Sig. Egidi was subsequently nominated interim chairman of ENI and was to have been formally appointed to head the Italian oil agency later this week.

But behind the wings poliitcal manoeuvres over the appointment of a series of other top ENI executives appear to have induced Sig. Egidi to tender his resignation. Sig. Egidi, who has traditionally been regarded as a leading manager rather than political figure, seemingly decided not to be drawn into the current unsavory battle for control of ENI.

The latest ENI top management battle follows the recent ENI-Petromin scandal and the affair is likely to become a major issue in the current campaign for the Italian June 8 regional elections.

These regional polls are generally regarded as the second round of last year's inconclusive general election and their outcome will inevitably have direct repercussions on the future of the new centre-left coalition government.

Sig. Egidi's resignation is already having severe repercussions within ENI, whose management yesterday issued a strongly worded protest against Sig. Gianni de Michelis, the new Socialist Minister for Italian state holdings.

The affair is further demoralising morale in ENI at a time when the State oil group is beginning to show a marked improvement in its performance.

The oil group reported yesterday it had more than halved its net losses in 1979 to L162.3bn ($191m) from L353bn in 1978. This followed a reduction in the deficit of its fibres and textile operations and in the deficits of the heavy loss-making subsidiaries of the dismantled EGAM State minerals agency it took over two years ago.

At the same time, ENI said it expects to report a group consolidated profit for 1979 of L95bn compared to a consolidated loss of L353bn in 1978. This figure includes ENI's minority holdings in foreign ventures.

ENI also reported a 39 per cent increase in consolidated revenues to L18,600bn last year.

Group investments last year totalled L1,812bn or more than L708bn more than in 1978. This increase in investments reflects ENI's current participation in the construction of the trans-Mediterranean gas pipeline, Romalcerna, to Italy due to come on strea mnext year.

ENI also supplied 51 per cent of Italy's overall annual hydrocarbons requirements last year compared to 45 per cent in 1978.

SNCF bounces out of the red

BY DAVID WHITE IN PARIS

FRANCE'S state-controlled railway authority, SNCF, showed a profit last year—on paper—for the first time since 1970.

Its 1979 net earnings of FFr 108m ($25.7m) came after a hefty FFr 1.12bn loss the year before and vindicates the new contractual arrangements between the state and the railways drawn up at the beginning of the year.

The new charter, which gives SNCF greater autonomy particulary with regard to fares but which also called for more rigorous management, is on the same lines as other "company contracts" drawn up with nationalised industries.

The Government, which holds 51 per cent of SNCF shares alongside the country's former private sector railway operators, plans to scale down the level of special subsidies pumped into the railways.

These payments, compensating for concessionary family fares and suchlike, totalled FFr 3.3bn last year. They are due to be reduced to FFr 2.6bn this year, FFr 2.3bn in 1981 and FFr 2bn in 1982.

This is separate from a large state contribution to railway workers' pensions, which makes the SNC the principal recipient of French nationalised industry subsidies.

SNCF's improved performance last year was despite a virtual stagnation in passenger traffic, which increased by 0.1 per cent to 53.5bn passenger/kilometres.

Freight traffic however increased 5 per cent to 224m tonnes. As a result freight income rose 15.8 per cent to FFr 13.6bn, compared with an 11.6 per cent rise in revenue from passenger traffic FFr 13.95m.

SNCF this week floated a FFr 2bn, 12-year loan at 14.6 per cent, part of the total borrowing programme this year in francs and foreign currency of about FFr 5.2bn.

The company said its financial charges rose by 21 per cent last year.

Caretaker head for Bankhaus Hassel

By Kevin Done in Frankfurt

THE HEAD of the small private Frankfurt bank Bankhaus Hassel has been banned from operating by West Germany's Federal Banking Supervisory Office and has been replaced by an outside banker.

The bank, which had a balance sheet total at the end of last month of just under DM 10m ($5.6m), was closed down by the Federal authorities because of its involvement in "dubious" securities dealing.

Herr Fritz Krehne, the personally liable chairman of the bank, has been removed from his post by the banking authorities.

It was discoveries made at Bankhaus Hassel that led on Friday to the arrest of a group of six bank officials from four different West German banks in connection with a bond market fraud that is thought to run to as much as DM 60m-70m.

Daimler-Benz lifts dividend and turnover

By Our Financial Staff

INCREASED profits have allowed Daimler-Benz, West Germany's second largest motor group, to lift its dividend for 1979 to DM 10 a share from DM 9.

In a brief statement the company said yesterday that last year it was able to continue a steady uptrend and strengthen its market position

Sales for 1979 improved by almost 13 per cent to DM 27.4bn ($15.2bn) with the results influenced by increased production and good capacity utilisation.

At Mannesmann, the steel, metals and engineering group, dividends for 1979 are being maintained at DM 5.50 a share. This decision by the board follows a decline in parent company profits.

Earlier this year Mannesmann explained that earnings for 1979 would be lower and yesterday the results from the parent company, where net profits dipped to DM 141m from DM 151m, gave an indication of the year's setback.

Small cut in losses by Swiss vehicle producer

BY JOHN WICKS IN ZURICH

OPERATIONAL LOSSES of SwFr 22.5m ($13.47m) were suffered last year by Swiss commercial vehicles and machine-building company Adolph Saurer. This follows losses of SwFr 28m in 1978 and SwFr 35m in 1977, though the results are not fully comparable owing to a change in accounting practice.

Saurer booked a net loss for 1979 of SwFr 7.4m after transfers from reserves. The board again recommends passing the dividend.

Turnover rose last year from SwFr 468m to SwFr 507m for the group, and new order volume improved from SwFr 497m to SwFr 654m.

Business in textile machinery, industrial operations and services and in the defence sector developed well. The losses arose from Saurer's activities in the field of commercial vehicles manufacture. This accounted for 43.4 per cent of turnover.

Saurer hopes fo ran improvement in the vehicles sector from its co-operation with the Fiat subsidiary Iveco. This foresees an increase of Saurer's agency sales of Iveco vehicles, as well as mutual supply of components. Iveco might take a stake of up to 25 per cent in a new Saurer commercial vehicles subsidiary, Saurer Nutzfahrzeug.

Reduced output at Adam Opel

GENERAL MOTORS' West German subsidiary Adam Opel saw vehicle output in the first quarter of 1980 dip to 232,357 from the record 274,762 achieved in the same period of last year, Reuter reports from Russelheim. New registrations in West Germany totalled 121,827 against 145,904 in the first quarter of 1979, reducing Opel's home market share to 17.3 per cent from 18.9 per cent last year.

Domestic sales boost Schering

By Leslie Colitt in Berlin

SCHERING, West Germany's fourth largest pharmaceuticals company and an expanding producer of agricultural and industrial chemicals, says turnover this year has risen at a higher rate than "planned" with the strongest growth in the domestic market.

Group sales for 1979 rose 21.4 per cent to DM 2.7bn ($1.5bn). No figures were released for current performance but the company said it expects the "positive" trend to continue the rest of this year.

The Berlin-based company will recommend a dividend of DM 9 per share. It will also seek approval to issue a convertible bond of up to $75m.

Schering is expected to use the proceeds to fund its U.S. subsidiaries acquired in recent years. It is also considered possible that Schering may use some of the money for a further takeover in the U.S.

AGA sees profit gain of at least a tenth

BY VICTOR KAYFETZ IN STOCKHOLM

AGA, the Swedish industrial gas and heating engineering group, expects pre-tax profit to rise by between 10 per cent and 15 per cent for 1980 from the SKR 302m ($70m) achieved last year on turnover of SKr 3.88bn, Mr. Sven Agrup, managing director, said in the annual report.

"We face the 1980s with an aggressive and expansive strategy which I believe will result in our achieving our aims of 15 per cent return on capital and 35 per cent equity-to-debt ratio."

The equity-to-dbt ratio, which dropped from 35.4 per cent in 1977 to 29.4 per cent in 1978—largely due to the purchase of Burdox, a U.S. gas company, and Frigoscandia, a Swedish freezing equipment and food transport company—reached 30.8 per cent in 1979.

Group liquidity rose to SKr 442m at the close of last year from SKr 292m in 1978, fulfilling the goal of 10 per cent of turnover.

Of group investments totalling SKr 467m, most were ni the gas division which accounted for 57 per cent of consolidated sales and 77 per cent of operating profit last year. Gas division investments will reach a peak of about SKr 350m this year.

The division no longer has to buy gas from outside suppliers and "we can act more freely and take better advantage of growth potential found above all within rapidly expanding new areas of application for gases," the report said.

AGA expects Frigoscandia, which accounted for 22 per cent of group sales and 20 per cent of operating earnings last year, to continue its rapid expansion in European markets.

* * *

BOFORS predicts in its annual report that "An additional increase in group profit after financial items is considered likely for 1980."

Last year the Swedish armaments, steel and chemicals company increased its consolidated pre-tax earnings 50 per cent to SKr 178m ($41m) on sales that rose 17 per cent to SKr 3.27bn ($753m).

Defence equipment division sales, which climbed 30 per cent to account for more than half of total turnover, made virtually all of the group's operating earnings. An operating surplus by Bofors-Nobel, the chemicals division, was outweighed by losses in steel operations and at Bofors-Nohab, which makes turbines, locomotives and printing presses.

The annual report predicts higher earnings for most units in the group during 1980 but "necessary restructuring and rationalisation within Bofors-Nohab may result in losses of a non-recurring character"

Mr. Claes-Ulrik Winberg, the managing director, said that during 1979 exports of defence materials compensated for a decline in orders from the Swedish armed forces. But Bofors could have done even better if the Swedish authorities had not been so restrictive in their interpretation of existing export regulations for armaments.

He says there should be no ethical problems in selling defence systems to small, politically stable countries that prefer to buy these from non-aligned countries.

Mitsubishi group buys rest of CAL

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S MITSUBISHI group will control 99.9 per cent of Chrysler Australia Ltd. (CAL) as the result of a decision, announced yesterday, to buy out the shares in the company held by Chrysler.

The Mitsubishi group acquired 30 per cent of CAL's shares in May, 1979, and took an option at that time to acquire control of the company at any time up to August 1980. Mitsubishi has acted in advance of the expiry of its option because of what it describes as an "urgent request" from Chrysler Corporation.

The 38.8m shares in CAL that Mitsubishi is acquiring will cost $57.6m. The shares will be held equally by Mitsubishi Motors Corporation and Mitsubushi Corporation (the trading arm of the Mitsubishi group), giving each company just under 50 per cent of CAL's equity.

Mitsubishi says that it has no plans, for the time being, to change either the name or the top management of Chrysler Australia—(the chairman and deputy chairman of the company are still Chrysler men). The group spared no pains yesterday, however, to underline the fact that CAL has remained in existence during the past 12 months only because of the contribution made to its sales by Mitsubishi-designed cars.

Sales of Mitsubishi models rose from 35,000 units in 1978 to 44,000 units last year and 12,700 units in the first quarter of 1980. Sales of Chrysler models over the same period fell from 14,182 units to 8,933 and, in the first quarter of 1980, to a mere 1,428.

Before its tie-up with Mitsubishi, CAL's position depended mainly on sales of its six cylinder passenger cars, where it was easily outranked by General Motors-Holden and Ford. Its recovery stems from the success of the Mitsubishi Galant which has been the top selling four cylinder car in Australia since the beginning of 1979, outranking similar cars made by Toyota and Nissan.

CAL made a loss of A$20m (U.S.$22m) in 1978, the last year before the Mitsubishi tie-up, but was able to turn in a net profit of A$12m last year. Higher productivity, resulting from the introduction of Japanese production techniques, is claimed to have contributed to this improvement.

Mitsubishi's acquisition of full control over CAL means that three out of five of Australia's principle motor manufacturers are now partly or wholly Japanese. The other four companies in the industry are GM-Holden (the Australian affiliate of General Motors), Ford, Toyota, and Nissan.

● James Forth writes from Sydney: The acting Australian Treasurer, Mr. Eric Robinson, said yesterday that, although approval had been given for Mitsubishi Corporation and Mitsubishi Motors Corporation to acquire Chrysler Australia, the Federal Government would continue to have talks with Mitsubishi on a possible return of some Australian equity to Chrysler Australia in the future.

Mr. Robinson said that in approving the deal the Federal Government had taken account of the likely benefit to the South Australian economy. Mitsubishi had been requested to consult with the Government before making any changes to the operations of Chrysler Australia an dalso to consult about the possibility of introducing Australian equity in the future.

Success for Australian tap system

By James Forth in Sydney

THE AUSTRALIAN Government's new "tap" method of selling commonwealth bonds was successfully launched yesterday. In the process the authorities have again increased official interest rates, in a move which is expected to bring increases in other segments of the market. The Reserve Bank yesterday made two tap stocks available, offering A$500m of two-year bonds at a yield of 11.5 per cent, and A$250m of five-year bonds, with a coupon of 11.7 per cent, but issued at a yield of 11.84 per cent.

The two-year rate is slightly below the 11.7 per cent available in the secondary market, but the 11.84 per cent compares with about 11.75 per cnt for five-year stock on the secondary market. There was heavy demand for the five-year stock yesterday, supporting the widespread belief that the authorities went for a slight "overkill"

It was widely believed in the market that at least A$150m of the five-year stock was bought at the 11.84 per cent, but that demand for the under-pitched two-year tap stock was subdued.

SUDAN SUGAR PROJECT

Lonrho fails to block Kenana

BY JAMES BUXTON IN LONDON AND ALAN DALBY IN KHARTOUM

LONRHO HAS failed in an attempt to block a major capital restructuring of the Sudan-based Kenana Sugar Company, which it formerly managed. A legal injunction against some of the other shareholders was overruled by the Sudanese Court of Appeal.

An extraordinary general meeting of the company last weekend then agreed to increase Kenana's authorised capital from S£80m ($100m) to S£330m, but the decision has to be confirmed by a second meeting on May 10.

fixed dividends

Under the restructuring Kenana will offer 130m A shares, worth S£1 each, to all the existing shareholders in proportion to their stakes. It will also create 120m B shares by converting loans shareholders have already made to the company into equity. Both types of share will bear fixed cumulative dividends, with the A shares paying rather more than the B.

The arrangement will bring the company, which is operating the world's largest sugar plant, some $162.5m in new capital to finance the completion of the scheme. The shareholders have until May 10 to decide whether to take up the A shares. Both the Sudan and Kuwait Governments are expected to increase their stakes, and unallocated shares are expected to be sold to the El Nilein Bank, a Sudanese state-owned concern, and the multi-state Arab Authority for Agricultural Investment and Development.

Lonrho, which conceived the project and managed it until May 1977, issued an injunction alleging that the Sudan Government, the state-owned Sudan Development Corporation, and the multi-state Arab Investment Company were breaking the founders' agreement between these concerns, and Lonrho and two other companies which established the projects, and thereby denying Lonrho its rightful place in the scheme. The trebling of Kenana's capital further diminishes the importance of Lonrho's S£ 2.575m equity stake in the company.

Mr. Paul Spicer, a Lonrho director, yesterday confirmed that Lonrho had issued an injunction, but could give no further details, pending the return of a Lonrho executive from Khartoum. He would not say whether Lonrho would subscribe to any of the A shares.

Lonrho is still a member of the executive committee of shareholders of Kenana, having resumed it's place in August 1978 after the settlement of a dispute with the company over its removal from the management contract in May 1977, but this could be threatened with the posible diminishing of its equity stake.

The present equity of Kenana is held 4026 per cent by the Sudan Government and the SDC; the Kuwait Government has 18.52 per cent; Saudi Arabia has 18.24 per cent; the AIC has 13.69 per cent; Lonrho 3.24 per cent; Nissho Iwai 1.17 per cent; Gulf Fisheries 1.17 per cent. Some 3.77 per cent is unsubscribed. Under the new arrangement the Sudan Government with the SDC should just remain the biggest single shareholder.

Phase one of the Kenana project, which came into operation February, has now produced 8.000 tonnes of semi-refined sugar. The factory's complete refining process is not expected to come into production for another two months.

Maximum funding

Dr. Beshir Abadi, Kenana's chairman, said that production during the first operational season, which ends in June or July, is expected to be 35,000 tonnes. The 1980-81 season is expected to produce 240,000 tonnes, and it is hoped to reach the full design capacity of 330,000 tonnes during the third season.

Assuming there are no upsets in the world sugar market, the company now hopes to reach its point of maximum funding during 1982 to 1983, which should result in a dividend becoming available to shareholders. The apparent readiness of the major shareholders to take up class B shares at a smaller fixed dividend than they were earning by way of interest on their loans, is being interpreted by Kenana directors as a vote of confidence in the company.

Cold Storage Holdings lifts profit

BY OUR SINGAPORE CORRESPONDENT

COLD STORAGE HOLDINGS, the food concern, reported increased profits for the year ended January 31. The attributable group profit was S$32.9m (U.S.$14.8m), compared with S$9.3m in the previous year, including extraordinary items amounting to S$19.19m. The parent company's profits dropped slightly, from S$19.8m to S$10.69m.

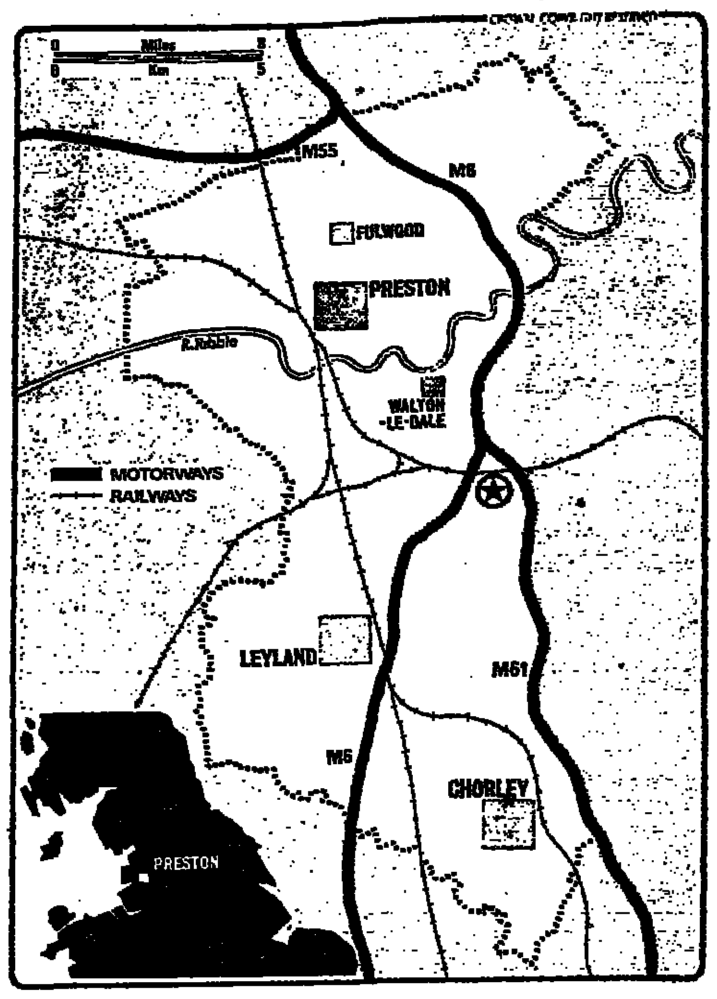
On a turnover of S$218.2m (U.S.$98.4m), up from S$195.7m, the group profit before taxation was S$21.34m, compared with S$17.82m last year. The directors are recommending a final dividend of 6 cents less income tax, making a total distribution for the year of 10.5 cents — the same as in the previous year.

FINANCIAL TIMES SURVEY

Thursday May 1 1980

Britain's third generation of new to wns is well on the move. In these two pages ANTHONY MORETON, Regional Affairs Editor, reviews the development of the North West's representative.

Central Lancashire New Town



Able to work within new rules

LIKE ITS fellow new towns Central Lancashire has been counting the cost of the change in strategy introduced last autumn by the Government. To its relief it finds it has been able to live within the new guidelines without too much difficulty.

As a third generation new town, like Northampton and Peterborough, it was exempted from the Government's first levy on the corporations. But this year it is expected to contribute £3m to the pool by selling assets.

In principle the Development Corporation is not averse to working with private capital and dos not find the raising of £3m particularly onerous. Even under the previous Labour Government it was looking in this direction and the first step was an agreement with the Norwich Union by which a large 100,000 sq ft factory for Seddon Atkinson (for a spares depot) was put up.

The corporation has also sold seven occupied factories total-Lloyds Bank. This sale became necessary because the new town was overstretched at the time and required finance to undertake other operations, but some of the money will go to the Government. In addtion, it is to build another 135,000 sq ft of factory space by the side of the funded entiCelin HRDLU HR M6 motorway and this will be funded entirely by the private sector.

To meet these changed circumstances Central Lancashire has retained Bernard Thorpe and Partners to act for it and it is certain that some other factory units will be sold to reach the target figure. These will probably be some of the small nursery units.

Of more importance, and certainly of more potential danger to the future development of the corporation, is the Government's cutback on housing. The new towns as whole have to reduce their construction programme from 10,000 houses to 2,000 and Central Lancashire will be curtailed to 180 starts this year compared with the 1,000 or so it had been hoping for.

Housing is vital to any town seeking to attract new industry. If a potential employer can be assured of 50 or 100 houses for key personnel this is often the deciding factor in choosing a location. Without the power to offer houses any authority is at a serious disadvantage.

The Government's reduction in the housing programme will not show for about two years, when the present number of starts, phased over the 12 months to next April, become completions. Central Lancashire will be able to juggle the houses available to some extent by keping vacancies unoccupied rather longer than usual, but it will be severely constrained by the change of housing policy.

Reluctance

Conforming with Government policy, every sitting tenant has been given the opportunity to buy, but the take-up has been low. Relatively few of the 2,795 rente dhouses have been sold. With a waiting list of just over 4,000 perhaps this is no bad thing. The reason for the reluctance to buy is almost certainly the high cost of new housing combined with the record level of mortgages.

Not that Central Lancashire, which includes the three existing towns of Preston, Leyland and Chorley, is by an ymeans a depressed area. It has traditionally had an unemployment rate slightly below the national average and considerably below that of the North-West region. The reason is the strength of its industrial base and the high degree of skill required by so many of its workforce.

This happy situation is now coming to an end; the difficulty is to know whether the rise in unemployment is permanent or just a temporary aberration. In February the Preston travel-to-work area had a jobless rate of 5.6 per c ent. The March figure was up to 6.3 per cent and when the April figures are released they will be over 7 per cent.

The sudden jump follows the shut-down of much of the Red Star works in Preston owned by Courtaulds. This step, announced late last year, is now taking effect and showing in the figures. In all 2,300 people were affected by the closeur. The 250 craftsmen should have little difficulty in finding new work, however, because the areospace, engineering and motor companies are desperately seeking labour.

The 2,000 or so unskilled and semi-skilled will not be nearly so fortunate, and among this figure there are probably 700 Asians without whom night-shift manning would have been impossible. Unskilled jobs are not easy to find and the Preston Skillcentre can only scratch at the surface in its retraining programme.

The Government's only other change towards the new town is to take out of industrial designation some of its land in the north-east and south-west corners. Otherwise the revised population target set three years ago by Mr. Peter Shore when he was Secretary of State for the Environment of 275,000, down from the original 420,000, has been retained by his successor, Mr. Michael Heseltine.

Courtaulds is not the only black spot in the local economy. Preston docks is another. Preston is some 16 miles from the estuary of the Ribble, is tidal and constrained by a very narro wlock entrance. Its future as a commercial entity has gone.

If there are worries on the industrial front there are few on the service side. Neither Chorley, which is more of a market town, nor Leyland, which is almost a company town, has much of an office population but Preston has, to the surprise of many, emerged in the past few years with a sizeable number of new white-collar jobs.

The town is the home of Lancashire County Council, by far the largest clerical employer. But it has also managed to attract insurance groups, banks, estate agents, building societies and others, and it is generally considered that the influence of the new town has been important.

Attraction

Low rents have been a big attraction. It is possible even now to get an office for £1.50 a square foot, sometimes less. Not very often does the purchaser have to pay over £2.

These low figures emanate from the over-supply of offices which dates from seven or eight years ago. In 1972 there was 750,00 sq ft of space on the market. This has now largely disappeared but there is still probably about 150,000 sq ft vacant.

Two aspects are still bad, though. Off-street parking attached to developments is difficult to obtain and a town, indeed an area, which has traditionally been used to leaving the car almost where it stops does not take kindly to the restrictions inherent in modern traffic conditions.

It is also difficult to find a single large block of office space. Leyland Vehicles would dearly like to bring together all its scattered offices under one roof but has been unable to do so. This lack of success contrasts with the company's highly successful research centre and the ne wvehicle test track which should open later this year and bring considerable benefits.

The inflow of offices, manufacturing and distribution units has largely come about because of the new town's excellent situation. The main west coast London-to-Scotland railway drives through the area and all the principal trains stop at Preston.

Perhaps more important, though, is its relationship to the motorway network. The M-6 divides the corporation's territory in two and the M-61 joins the M-6 at the point of the Walton Summit industrial estate, the largest in the new town.

Walton Summit now has 104 factories on it and they have created over 2,000 new jobs. At the end of February just over 1m sq ft of floor space had been let on the estate and another 144,000 sq ft were under construction, of which private capital accounted for about a quarter (a rather higher figure than for the new town as a whole).

Central Lancashire's trump card for the future is that it has ample land for development and is still making improvements to its infrastructure. Despite the recent setbacks it is capable of sustaining a lot more growth.

Industrial base changing

LIKE SO much of the rest of industrial Britain, Central Lancashire has had to come to terms in the last two decades with a changing base. Textiles are no longer king and never will be again. The conditions which brought cotton to the west of Britain still exist but modern technology means they can just as easily be recreated somewhere else where either labour is cheaper of capital mode modern.

The old mills still stand, their chimneys pointing almost accusingly to the sky, their empty floors a challenge to those who are seeking to bring new work to the towns.

As recently as 1961 one worker in every four in central and north Lancashire was employed in the textiles and clothing sectors. By 1976 the figure was one in eight and onw, with closure following closure, probably one in 10 takes home pay from this industry.

Central Lancashire has been able to ride part of this storm because it also has industries which demand high craftsmanship, and the skilled worker is as much in demand here as elsewhere.

Central Lancashire has, of course, succumbed to the growth of the white-collar jobs just as any other part of the country. Whereas service industries accounted for 49 per cent of the working population in 1961, they had risen by 1976 to 61 per cent.

Much of this growth has been at the expense of textiles rather than manufacturing industry. The largest single employer outside the service sector remains the Warton division of the nationalised British Aerospace Corporation, with 18,000 employees. Of these, 6,000 are in Preston itself at the production centre, some 3,000 at Samlesbury and 7,000 at Warton, the last two just outside the new town boundaries. The remainder are working for the division in Saudi Arabia.

Other major craft employers include Leyland Vehicles, which turns out the new large truck at its works in the town from which it takes its name, GEC, which makes diesel engines for the railways, Leyland Paint and Wallpaper, Atkinson Seddon, Plessey and Baxi Heating.

The skills are not merely at the craftsman level. British Nuclear Fuels, Leyland Vehicles, at its research centre, and above all British Aerospace employ a considerable proportion of graduate-level personnel. Indeed Preston's pool of skill has become so deep that it is frequently fished or poached, according to your viewpoint, by German and American compaines. It is not unusual to see advertisement in the local papers advertising jobs abroad and the local hotels become the venues for interviewing potential candidates for the brain and skill drain.

If Preston is to maintain reputation as a centre of skilled manpower much will rest on its ability to train the next generation of craftsmen and engineers. Both industry and the educational institutions are doing their best to respond to contemporary needs.

Whether the polytechnics are producing exactly the sort of worker that industry needs is often a bone of contention be-

CONTINUED ON NEXT PAGE

CENTRAL LANCASHIRE NEW TOWN II

Training centre for new skills

IT IS arguable that one of the most important services that the Government could provide to alleviate the serious unemployment which will face the country for several years to come is for it to invest much more heavily in retraining. Skilled men and women are at a premium almost everywhere; it is the unskilled, and to a lesser extent the semi-skilled, who havet he greatest difficulty in finding jobs.

The Government is not unaware of this and is doing something about it. There are about 100 Skillcentres around the country run by the Manpower Services Commission (MSC) and they offer retraining in 73 trades. But the centres are only scratching at the surface. An average-sized one will turn out about 400 tradesmen a year, a figure which is not going to go far to dent the country's 1.46m unemployed — though it will make a very important contribution to the life of those 400.

The Preston Skillcentre is a good example of what is undertaken. Opened two years ago by Mr. Len Murray, general secretary of the TUC, it offers training in 14 trades. But since three of those have sub-sections it actually offers places in 17 different disciplines.

The centre is new and purpose-built and, ironically, almost next door to Courtaulds' Red Star works which has just closed, putting 2,300 men out of work. The Preston Skillcentre will provide very little counted to the Courtaulds' closure but the pity is that more centres doing its work might somehow produce the sort of craftsmen a changing industrial Britain needs.

For one of the things Preston does is to teach new ways of performing old tricks. Welding steel plate may not be needed so much, for instance, now that shipbuilding is in decline but welding tubes for the oil and gas industry is desperately needed and the man with the unwanted skill to do the former cannot always move over to the latter without some form of retraining.

Put on ice

The Preston centre is one of 11 in MSC's north-west region and the Government's economy cuts have virtually brought a halt to further developments. The Blackburn centre is being rebuilt at Accrington and should be opened in about a year but plans for further centres have been put on ice.

Preston has places for 220 people and at the moment is training 186. The shortfall does not so much indicate lack of enthusiasm among the unemployed—though no one denies that it is difficult to talk men into joining a course—as the technical reason that courses are staggered and vary in length, so that there is probably never a full house.

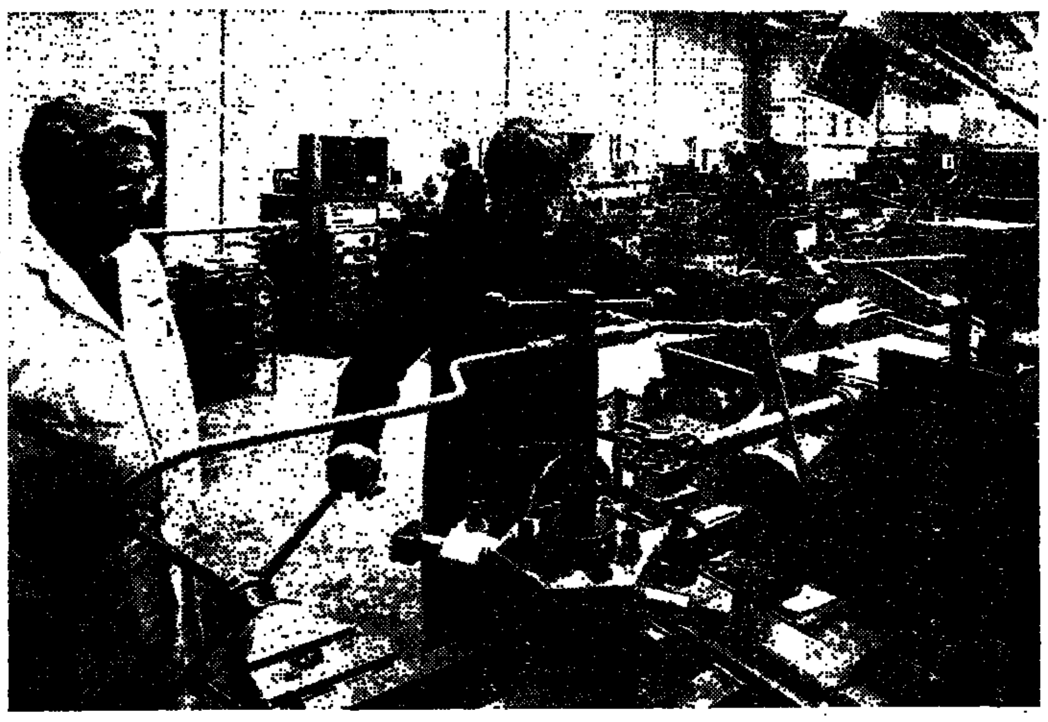
The longest course — radio, television and electronic servicing—lasts 42 weeks. Some, such as electric arc welding and maintenance take 30 weeks, but the average length is 26 weeks. For this the men and women receive a training allowance which is slightly above unemployment pay, so as to make it attractive. There is also a travel allowance for those living more than two miles from the centre and a lodging allowance if it is necessary to live away from home during the week.

Because Preston has a big university college it is difficult to find digs for those on the courses, so most tend to travel. They come from as far away as Morecambe each day, though as the nearest centre giving training in painting and decorating is at Long Eaton in Nottinghamshire the catchment area for this trade extends up into Scotland.

Instruction is deliberately kept to small groups, averaging 12. So the ratio of instructors, all have been craftsmen in their time, is kept high—there are in fact 26 in Preston.

The emphasis all along is on work: the centre's hours are those that would be experienced in any factory—a 40-hour week from 8 to 4.45 and 3.30 on a Friday. There is also clocking-in and out.

But if the emphasis is on work practices it is also on practical work. "Classroom" studies are kept to a minimum, though a certain amount is given in each trade. Some disciplines, such as TV servicing will obviously get more than street masonry and paving.



Trainee receiving instruction in capstan lathe setting

One of the services which the centre values most highly is that in sponsored training. This is a scheme by which a particular employer uses the facilities available; he might want some of his men trained in a specialist branch of welding. The Skillcentre organises the training and gears it to the employer's needs.

The company has to pay the wages of those who attend the centre on this facility and are charged £65 a week for every place occupied. When Preston was in an assisted area the service was free but since its downgrading under Sir Keith Joseph's rethink on regional policy a charge has had to be made.

Not everyone coming out of a skillcentre will become a skilled man, though all will have a new skill. The place the "graduates" have at work depends to a large extent on the unions, who determine so much in relation to the question of skills. But at the very least those completing the courses will become tradesmen, and that is a lot better than being unskilled and out-of-work.

PROFILE

DICK PHELPS

Manager of the enterprise

WHEN I met Dick Phelps he had just come out of prison. Perhaps it would be more accurate to say that he had just come back from prison because he had not been involved in any malfeasance or chicanery. Mr. Phelps is a prison visitor and he had been to prison in an official capacity.

Dick Phelps has been general manager of the Central Lancashire Development Corporation since the third generation new town was set up in 1972. This is his third career. He started in the colonial civil service, and then went to the Treasury. He believes that everyone should have more than one career and sees one of the faults of British management stemming from the fact that most people have only one discipline with one employer.

"Too few of our leaders have any depth of experience. They remain with the same employer all their life. Efforts to second people within this country are pretty pathetic. The civil service has made attempts but sending a man from the Treasury to a merchant bank in the City is merely going from one establishment citadel to another.

"The Treasury people never go to the sharp end, to the business world. So they stay in their monastic cocoon."

The third part of his working life began in 1968 when he moved to Skelmersdale new town as general manager. Skelmersdale was a brave attempt to do something about rehousing people from Liverpool.

He remembers his time there not so much for the work and the problems as the general climate. "There was a totally different perspective during the middle and late '60s. Growth was the thing. The country's population was going to grow, energy was to be abundant, no investment was too large to envisage."

Lame ducks

Places like Skelmersdale and Runcorn were attempts to do something about the structural problems of decline given that growth outlook, Central Lancashire was a different question altogether. It was no greenfield site; three towns within its boundary—Preston, Leyland and Chorley—already had a long history. But to him the principle was the same—the need to prevent lame ducks going to the wall.

So when the new town started in 1972 he moved to it as general manager. Because he was dealing with a society in being rather than a greenfield site the approach had to be different: "a different touch, a different style."

He was fortunate in having a Board which was very conscious of this difference. They saw the need to build on the existing economy, an economy based on a high degree of craftsmanship, largely in the engineering and textile industries.

"We have in the north west some of the oldest industrial towns in the world but they are wearing out. There is no way in which either the public sector or the private sector on its own could regenerate this economy. That is our strength. We can foster a joint evercise."

The extent to which Central Lancashire has done that has been impresive. It has undertaken housing programmes which have brought some of the best of modern housing—public and private—in the country and rehabilitated areas, such as the Plungington district of Preston, which would have been too big for a local authority to tackle.

Plungington is typical of an area thrown up by the Industrial Revolution. There are 3,000 houses tightly packed into 105 acres, terraced houses on a grid pattern, built for the millworkers in the cotton industry. Two out of three had none of the usual amenities, but they were structurally sound.

Plungington is now being turned into an area where the houses are acceptable to late 20th-century standards by a scheme introduced in partnership with the local council. The Government cutbacks on spending will inhibit this work. Dick Phelps is not too concerned about the need to sell some of its assets. Central Lancashire has to contribute £3m to the pool and he fully accepts the need to use private sector capital to the full.

But he is concerned at the cut in the housing programme, which means that the corporation wil only be able to make a start on 180 houses this year. This will severely inhibit its ability to do something about the other places like Plungington and set back the attack on social decay by years.

"Prosperity here depends not on the graduate but on the skilled man. And be simply canont afford a 15 per cent mortgage. If he cannot rent something, which is the only option open to him with borrowing rates at their present level, then either he will leave or there will be social discontent."

If Dick Pheleps is envious of anything it is of the resources allocated to the Scottish and Welsh development agencies. He sees the role of new towns as regional development agencies in miniature but he knows he has to undertake that role without the resources available to his much bigger but younger cousins. Now he will have even less scope for manoeuvre. But that is just one more problem tob e overcome in the cradle of industrialism.

Industrial base

CONTINUED FROM PREVIOUS PAGE

tween the two sides in Central Lancashire. Industry is also playing its part in the training of apprentices. British Aerospace takes 144 a year to the engineering disciplines at the age of 16 and around 50 on to the commercial and clerical side. In addition it takes another 70 or so at the age of 18 to more advanced courses and probably has about 1,000 in all at any one time.

Competition is intense for these places. Probably 1,500 youngsters seek craft training in any one year and the companies are just completing their interviews for this year's school-leavers.

But not even such an active programme has overcome the fundamental shortages. It is difficult to get machinists, toolmaker,s electricians, motor vehicle enginers and television engineers. To have a skill in Lacashire is a good insurance policy against unemployment.

If the area has great strength in its traditional industries it also now has variety in those attracted to the estates of the new town. Here caravan producion, central heating boilers, beer barrel repair and coach bodybuilders provide alternative forms of work. It would be an exaggeration to claim, as Birmingham once did, that you could get everything from a battleship part to a pin in the city. But at least you can now get the products of a very wide cross-section of British industry from Central Lancashire.

WORLD STOCK MARKETS

Dow sheds 5.9 in early trade

THE RECENT rally in Wall Street was halted early yesterday when share prices tended to decline on news of a 2,6 per cent fall in the March index of leading economic indicators, its biggest setback since a 3 per cent fall in September, 1974, as the economy was then entring a recession.

The Dow Jones Industrial Average shed 5.89 to 805.20 at 1 pm, while the NYSE All Common Index lost 0.38 cents to $59.79. Declines led advances eight to five, after volume of 21.35m, against the 1 pm total of 18.39m on Tuesday.

Analysts said the March index fall had been expetced, but noted that it underscored the potential for a severe recession.

Additionally, the market had risen in the prior six trading sessions, the last three on modest volume, and was due for a pull-back. The recent market gains had been in response to a rapid fal lin short-term interest artes. Yields were steady yesterday morning in the credit markets.

Defence, Drug and Computer issues, which had participated in the recent market rally, came under selling pressure. McDonnell Douglas receded ⅞ to $29½, Boeing ⅞ to $36½, Litton $1 to $51½ and Teledyne 1⅛ to $93½.

Active IBM lost ⅞ to $53⅞, Texas Instruments 1½ to $84¼, Computervision $1 to $45¼ and Hewlett-Packard ¾ to $57¼. Eli Lilly shed ¾ to $50½ and Johnson and Johnson ¼ to $75⅛.

Active Warner-Lambert, which on Tuesday forecast only modest 1980 operating profits growth, was unchanged at $18½. Blocks of 50,000 and 113,000 shares were traded at $18.

Oils were weak. Exxon eased ⅛ to $60½ despite increasing its quarterly dividend. Active Texaco eased ¼ to $34⅞ ex-dividend and Cities Service ⅝ to $94⅛.

LTV added ⅜ to $11⅞. Its Vought unit has won a $116m Army contract for research on multiple-rocket launchers. Volume leader Middle South Utilities gained ⅛ to $12⅜. Detroit Edison, which received a $163m rate increase, tacked on ⅛ to $13.

THE AMERICAN SE Market Value Added Index shed 1.18 to 251.14, with volume of 2.19m shares at 1 p.m. (2.06m).

Closing prices for North America were not available for this edition.

Canada

Markets presented a mixed appearance at noon following a moderate business. The Toronto Composite Index eased 3.7 to 1862.4 at mid-day, although gains on the Exchange outscored falls by 149 to 139. The Gold shares index retreated 23.4 to 2,949.5 and Oil and Gas shed 3.5 to 4,192.7.

Rio Algom, which reported higher earnings, rose ⅜ to C$29⅞.

Among Oils, newly-split Gulf Canada added ½ at C$30¼, as did BP Canada, at C$42.

Tokyo

The market reversed a firmer start to finish mixed on balance amid concern over the worsening Iranian situation and the rise in outstanding balance of margin debts.

The early improvement was led by defence industry stocks such as Steel and Heavy Electricals, which were bought actively, but an easier trend developed towards the close, with investors selling Oils, Coals and other energy shares. This was apparently because of growing concern over the rapid pace of increase in margin debts on the three major stock exchanges in recent sessions, brokers said.

The Nikkei-Dow Jones Average was finally 10.10 easier at 6,865.56 while declines on the first market section narrowly led advances by 312 to 298. There was a sizeable turnover of 430m shares, compared with Monday's 280m. The market was closed on Tuesday for the Emperor's Birthday.

Among defence-related issues, Nippon Kayaku gained Y23 to Y540, Sumitomo Metal Industries Y4 to Y173 and Kawasaki Heavy Industries Y8 to Y203.

In contrast, Nippon Oil lost Y10 to Y2,360, Teikoku Oil Y30 to Y1,330, Takeda Chemical Y16 to Y501, Mitsui Mining Y14 to Y841, Dowa Mining Y11 to Y679. and Matsushita Communication Equipment Y40 to Y1,530.

Germany

Share prices were generally well maintained at the end of fairly slow trading. Wall Street's firmness on Tuesday was widely cited as a reason.

The Bundesbank's decision to increase the discount rate half a point to 7.5 per cent and the Lombard rate a full point to 9.5 per cent came only after the market closed. The impending announcement of the decision had contributed to the hesitant trading. Also slowing the market was the fact that today, May Day, is a holiday in West Germany and many other European countries.

In Banks, Dresdner Bank advanced DM 2.50 while Karstadt in Stores stood out with a rise of DM 4.50. Electricals had Varta up DM 3.30, but elsewhere Degussa receded DM 2.50 and Metallgesellschaft DM 2.00.

In Chemicals, Hoechst put on 60 pfennigs after an optimistic Press conference.

On the Domestic Bond market there was demand for Government issues and the Bundesbank sold DM 50.4m nominal of paper after selling DM 1.1m the previous day. Mark Eurobonds were also firmer.

Switzerland

Led by the Banking sector, stock prices moved higher across the board in brisk activity, with dealers reporting a continuing flow of buying orders "after hours."

The market was awoken from its lethargy by encouraging first-quarter results from Union Bank of Switzerland. The bank reported on Tuesday a 10 per cent rise in its balance sheet total in the first quarter, and noted that earnings were also higher. This stimulated the Banking sector first, and then spread out to the rest of the market.

But the climate had been generally favourable, influenced by Swiss interest rates, which were clearly pointing downwards, dealers added.

Good Bond market performances continued to signal this trend, and coupons have been adjusted downwards. In the Domestic Bond sector, a lower 5¼ per cent coupon is being well received, while new Foreign Bonds currently offering a much lower 6¼ per cent coupon are also in demand.

The fact that yields on Domestic Bonds were narrowing the gap to the average stock market yield level of 2.9 per cent was helping the market, dealers agreed. Moreover, the market was expecting the Swiss inflation rate to show a marked deceleration in April from the 4.1 per cent year-to-year rise in March. At the close, advances outpaced declines by 88 to 10 with 14 issues unaltered.

Union Bank rose SWFr 65 to SwFr 3,280. Credit Suisse SwFr 50 to SwFr 2,130. Bank Leu SwFr 100 to SwFr 4,450, and Swiss Volksbank SwFr 10 to SwFr 1,760.

Among Industrials, Nestle advanced SwFr 85 to SwFr 3,320, Alusuisse SwFr 30 to SwFr 1,170, and Holzstoff SwFr 50 to SwFr 1,790.

Australia

Markets were easier-inclined in the wake of the higher official interest rates announced by the Reserve Bank on Tuesday, and the prospect of more rises to come. The Sydney All Ordinaries Index shed 4.34 to 783.17, and the Metals and Minerals Index 34.48 ot 4,821.71.

However, news of what could prove to be a major gold find in central Western Australia provided one of the few diversions for the market.

NEW YORK

Stock	Apr. 29	Apr. 28
Cities Service	95	91⅞
City Investg	18⅝	17⅛
Clark Equipment	31½	31⅛
Cleve Cliffs Iron	27⅛	26⅝
Clorox	8⅞	9
Cluett Peaby	7⅞	7⅞
Coca Cola	32⅞	33
Coca Btl. NY	4¾	4⅝
Colgate Palm	12⅝	12⅝
Collins Aikman	6¾	6⅝
Colt Inds	40¼	40¼
Geosource	59	58¼
Gerber Prod	19	19
Getty Oil	76¾	79
Giddings Lewis	22¼	21⅞
Gillette	21½	21¼
Global Marine	50½	49½
Goodrich (BF)	18⅝	19
Goodyear Tire	12	11⅞
Gould	22½	22⅝
Grace	33½	34
Grainger (WW)	25⅞	26⅛
Mead	22⅛	[illegible]
Media Genl	23⅛	23⅛
Medtronic	60⅞	60
Mellon Natl	25½	25½
Melville	27⅛	27⅝
Memorex	—	12¼
Mercantile Strs	31¾	31⅝
Merck	67¾	68
Meredith	34¾	34¾
Merrill Lynch	18¾	19⅛
Safeway Stores	29¼	29½
St. Joe Minls	39¾	40¼
St. Louis-San F.	59⅞	58½
St. Paul Cos	35¼	35⅛
St. Regis Paper	26⅛	26⅞
Santa Fe Inds	54⅛	54⅝
Santa Fe Intl	33	33⅝
Saul Invest	6⅝	6⅛
Saxon Inds	5¼	4¾
Schering Plo	36	35⅞
Winn-Dixie Str	25¼	25⅛
Winnebago	2¼	1⅞
Wisc Elec Power	24⅛	24¼
Woolworth	23⅞	23⅝
Wrigley	33⅝	33¾
Wyly	7¾	7⅞
Xerox	53⅝	54
Yellow Frt Sys	13¾	14
Zapata	28½	28⅛
Zenith Radio	10⅛	9⅞

Indices

NEW YORK—DOW JONES

	Apr. 29	Apr. 28	Apr. 25	Apr. 24	Apr. 23	Apr. 22	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
◆ Industr'ls	811.09	805.46	803.58	797.10	789.25	789.85	903.84 (13/2)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	70.67	71.14	70.70	70.29	70.34	69.97	74.01 (9/1)	65.87 (28/3)	—	—
Transport	240.55	239.29	241.18	240.99	243.72	245.45	305.60 (8/2)	233.59 (27/3)	305.60 (8/2/80)	12.23 (8/7/32)
Utilities	108.66	108.63	108.56	109.07	108.15	107.07	113.46 (13/2)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's†	27 940	30,609	28,580	35,730	42,620	47,920	—	—	—	—

◆ Day's high 816.21 low 802.65

Ind. div. yield %	Apr. 25	Apr. 18	Apr. 11	Year ago (approx
	6.49	6.10	6.58	5.78

STANDARD AND POORS

	Apr. 29	Apr. 28	Apr. 25	Apr. 24	Apr. 23	Apr. 22	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
‡Indust'ls	119.03	118.73	118.15	117.08	116.27	116.02	134.47 (13/2)	111.09 (27/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	105.86	105.64	105.16	104.40	103.73	103.45	118.44 (13/2)	98.22 (27/4)	125.85 (11/1/73)	4.40 (1/6/3)

	Apr. 24	Apr. 16	Apr. 9	Year ago (approx
Ind. div. yield %	5.77	5.86	5.74	5.08
Ind. P/E Ratio	7.16	6.99	7.14	8.71
Long Gov. Bond Yield	10.86	10.48	11.64	9.11

N.Y.S.E. ALL COMMON

Apr. 29	Apr. 28	Apr. 25	Apr. 24	1980 High	1980 Low
60.17	60.01	59.73	59.38	67.77 (13/2)	55.30 (27/3)

Rises and Falls	Apr. 29	Apr. 28	Apr. 25
Issues Traded	1,879	1,889	1,826
Rises	891	947	652
Falls	586	575	797
Unchanged	402	367	379
New Highs	13	21	9
New Lows	13	15	19

MONTREAL	Apr. 29	Apr. 28	Apr. 25	Apr. 24	1980 High	1980 Low
Industrial	349.02	346.04	346.94	347.94	423.80 (29/2)	323.21 (27/3)
Combined	320.73	318.13	317.89	319.68	378.90 (29/2)	298.30 (27/3)
TORONTO Composite	1866.1	1850.5	1848.4	1843.8	2192.8 (29/2)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Mobil	343,200	70⅝	−1⅛	Southern	245,600	12⅞	−⅛
IBM	298,900	54⅞	+⅛	Texaco	243,000	35	+⅛
Cons. Edison NY	286,300	24⅞	−⅛	Warner-Lambert	242,200	18⅝	−⅛
Chrysler	264,600	7⅛	+⅛	Louisiana Land	238,600	38	−⅛
LTV	256,400	11½	+⅞	General Motors	234,000	45	+⅛

	Apr. 24	Apr. 29	Apr. 28	Apr. 25	1980 High	1980 Low
AUSTRALIA Sydney All Ord. (1/1/50)	783.17	787.51	785.19	(c)	947.47 (14/2)	780.00 (2/1)
Metals &Minls (1/1/50)	4821.71	4856.19	4822.81	(c)	5699.85 (14/2)	4581.28 (28/3)
AUSTRIA Credit Aktien (2/1/62)	67.79	67.84	68.29	68.28	69.49 (7/1)	67.45 (11/4)
BELGIUM Belgian SE (31/12/63)	96.87	96.65	95.58	95.77	105.75 (11/2)	98.14 (31/3)
DENMARK Copenhagen SE (1/1/73)	77.59	77.22	77.58	77.64	86.74 (2/1)	74.78 (6/3)
FRANCE CAC General (29/12/61)	104.3	104.9	105.6	102.20	117.60 (22/3)	97.1 (3/1)
Ind Tendance (28/12/79)	101.1	100.5	98.8	98.90	109.70 (15/2)	95.90 (5/1)
GERMANY FAZ-Aktien (31/12/58)	220.39	220.85	221.07	220.66	238.89 (25/2)	212.75 (28/3)
Commerzbank(Dec.1953)	692.1	693.5	695.5	694.70	749.2 (25/2)	667.0 (27/3)
HOLLAND ANP-CBS General (1970)	(c)	81.4	81.3	80.20	87.0 (11/2)	74.0 (27/3)
ANP-CBS Indust. (1970)	(c)	64.3	65.8	63.00	68.2 (11/1)	58.2 (28/3)
HONG KONG Hang Seng Bank(31/7/64)	887.98	875.85	865.15	854.18	965.17 (15/2)	759.9 (18/3)
ITALY Banca Comm. Ital (1972)	95.01	94.98	95.12	(c)	95.31 (28/2)	83.11 (2/1)
JAPAN Dow Average (16/5/49)	6865.51	(c)	6875.66	6904.81	6904.81 (25/4)	6475.95 (27/3)
Tokyo New SE (4/1/68)	467.81	(c)	467.54	469.92	472.66 (14/2)	449.01 (10/3)
NORWAY Oslo SE (1/1/72)	120.12	119.17	118.33	118.41	144.79 (14/2)	119.12 (28/3)
SINGAPORE Straits Times (1966)	471.30	471.54	469.58	467.15	564.11 (6/3)	429.75 (6/1)
SOUTH AFRICA Gold (1958)	(u)	545.0	555.2	572.4	604.3 (6/3)	565.0 (4/1)
Industrial (1958)	(u)	482.1	484.7	487.7	517.2 (14/2)	458.0 (23/1)
SPAIN Madrid SE (28/12/79)	95.21	95.47	(c)	96.79	105.29 (21/2)	95.21 (30/4)
SWEDEN Jacobson & P. (1/1/58)	393.53	393.71	391.43	394.14	398.90 (8/2)	354.72 (17/1)
SWITZERLAND Swiss Bank Cp. (31/12/58)	290.9	288.6	286.60	285.90	317.9 (11/2)	284.3 (22/4)
WORLD Capital Intl. (1/1/70)	(u)	130.0	129.8	128.9	145.5 (13/2)	126.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

CANADA

Stock	April 29	April 28
Abitibi	18¼	18¼
Agnico Eagle	11½	11
Alcan Alumn	29⅝	29⅜
Algoma Steel	28½	28½
Asbestos	34	35⅜

BELGIUM (continued)

April 30	Price Frs.	+ or —
Petrofina	5,200	+20
Royale Belge	5,620	—40
Soc Gen Banq	2,415	+40
Soc Gen Belge	1,352	—8
Sofina	3,375	+35
Solvay	2,515	+55
Traction Elect	2,525	+20

HOLLAND

April 29	Price Fls.	+ or —
ACF Holding	73.9	+0.9
Ahold	68xd	
AKZO	23.1	—0.2
ABN	298.5	+2.5
AMEV	100.1	+0.1
AMRO	65.0	+0.7

AUSTRALIA

April 30	Price Aust. $	+ or —
ANZ Group	4.28	—0.02
Acrow Aust	0.80	
Alliance Expl	1.07	—0.03
Ampol Pet	1.03	—0.01
Assoc. Pulp Pap.	1.90	—0.02
Audimco	0.26	
Aust Cons Ind	2.03	+0.01

JAPAN (continued)

April 28	Price Yen	+ or —
Kubota	355	
Kumagai	335	—4
Kyoto Ceramic	3,120	+10
Lion	346	—6
Maeda Cons	436	
Makita	1,020	—10
Marubeni	378	
Marudai	849	—2

U.S. commodity ban on Swiss bank

BY DAVID LASCELLES IN NEW YORK

A SWISS bank which defied a request by the U.S. Commodity Futures Trading Commission (CTFC) for information on its silver dealings, has been banned from trading on the U.S. commodities markets.

This development marks a further escalation of the tension between U.S. commodity regulators and foreign participants in the markets.

Acting on a complaint from the CFTC, an administrative law judge has ruled that the Banque Populaire Suisse of Berne should be prohibited from further trading on U.S. markets. The ruling has immediate effect. The bank may, however, appeal it to the CFTC commissioners, and from there to the U.S. courts.

The CFTC lodged its complaint after the bank failed to respond to a request last January for information about its clients and the nature of its dealings in the silver markets, which were buzzing with speculative fever at the time.

The bank replied that it could not disclose confidential bank-client information.

The episode is the latest in a series of—largely unsuccessful—*attempts by the CFTC to* subject foreigners to the same disclosure requirements as U.S. commodity traders.

From Berne, meanwhile, Reuter reported that the bank had not yet decided whether to appeal against the ruling. It is holding legal consultations about the affair and a communiqué may be issued later, the bank's legal department said.

An initial decision was handed down on April 25 by CFTC administrative law judge Arthur Shipe after Banque Populaire failed to answer a complaint filed by the Commission's enforcement division.

Counsel for the bank contended that the CFTC lacked jurisdiction and that the filing of an answer to the complaint would be made after a detrmination that the CFTC had jurisdiction.

Judge Shipe ruled that the bank's jurisdictional claims were "wholly without merit" and *that the CFTC was "not required* to separately adjudicate the jurisdictional issue presented."

The complaint alleged that the Swiss Bank had held or controlled long positions in the December 1979 and March 1980 silver futures traded on the Commodity Exchange in New York which exceeded reportable levels.

In October last year the Commission authorised a special call requiring Banque Populaire to provide information on the transactions and positions held for its customers, if any, on Comex, the Chicago Board of Trade and the Mid-America Commodity Exchange in Chicago.

CFTC has authority to request special information from traders on U.S. futures markets when the information is necessary for the agency's market surveillance duties. Traders who refuse to comply can be barred from all domestic futures trading after a hearing is held.

Judge Shipe ordered Banque Populaire to halt further violations as charged in the complaint and prohibited it from further trading on all U.S. contract markets.

The administrative law judge's order will become final 30 days after it is served, unless it is appealed to the Commission.

Judge Shipe concluded that CFTC "has jurisdiction over any person, without regard to the person's nationality or location, who actually trades on this country's commodity futures markets and thereby subjects himself to the provisions of the (Commodity Exchange) Act and the Commission Regulations."

Indian jute mill nationalised

NATIONAL JUTE, the biggest jutemill in India, has been nationalised. This is the first jute mill to be nationalised so far.

There are nine other jute mills whose management has been taken over by the West Bengal government and the Industrial Reconstruction Corporation of India but their ownership legally is still in private hands.

The government has placed National Jute under the direct control of t he Jute Corporation of India. This has given rise to speculation whether the Jute Corporation will not in due course be converted into a holding company to acquire the ownership of the other nine mills.

The Jute Corporation was started as a price support body. Subsequently its role was enlarged to make it a commercial operator in the raw just market. Its indifferent performance in the latter role has of late come in for scathing criticism from New Delhi as well as industry sources.

● About 150,000 bales of jute worth Rs 25m were destroyed in a blaze in Kanpur in northern India. The Press Trust of India said the bales were stored in a godown which caught fire.

IRON ORE

Pitching the price to stimulate investment

BY BRIJ KHINDARIA IN GENEVA

THE MAIN iron ore exporting countries expect 1980 to be a better year for them than 1979 because of the tighter balance between ore supplies and demand. But deterioration is not being ruled out because of recession prospects in western countries.

The iron ore market firmed slightly last year compared with 1978, partly because of industrial troubles and poor weather conditions in Australia and Brazil which eased the over-supply situation. Stocks now stand at minimal levels.

World iron ore production is estimated to have been about 840m tonnes in 1979 compared with consumption of 928m tonnes.

But prices are still too low to encourage investment to open new mines or expand existing ones, and there are signs of uneasiness among importers that supply shortages might occur in the near future.

This outlook has encouraged consumers to conclude long-term contracts. The bargaining position of producers has improved, according to a study by the Geneva-based Association of Iron Ore Exporting Countries, presented to a meeting of the association's decision-taking board earlier this month.

Some forecasts made by large iron-ore consumers predict a supply shortfall of as much as 80m tonnes by 1985. According to some estimates by consumers, iron-ore prices should be at least $18 per tonne (fob) to encourage major expansion of existing mines.

To encourage investment in new mines, the price must be at least $28 per tonne. These estimates could indicate the prices that will be offered by consumers in future contracts to prevent predicted supply shortfalls.

Prices offered by European, mainly West German, and Japanese buyers in 1980 contracts indicate a 20 per cent to 30 per cent increase over last year. But in real terms the 1980 prices represent only about 70 per cent of 1969 levels.

However, the 1980 prices will be sufficient to allow most mines to break even or even show a small profit compared with the losses made last year.

Total world iron ore consumption is estimated at 939m. tonnes. Surplus ore available for export is expected to be about 394m tonnes roughly balancing the import demand.

The Association's board viewed short and medium term prospects with "cautious optimism." It felt that market conditions could worsen for producers in the short term if steel production slackens in line with the world's general economic situation.

Adverse factors include fluctuations in the dollar's exchange rate, increasing freight costs partly because of higher fuel prices, energy supply problems and inflation.

But the board felt that the coming decade appeared more favourable from iron ore producers and exporters than the previous one.

The recently-formed association would like to bring together all producers and exporters, including those outside the association, to identify common problems.

Brazil, the world's second largest iron ore producer and exporter after Australia, is not an association member. Australia produces about 92m tonnes and exports 78m tonnes, compared with Brazil's production of 83m tonnes and exports of 77m tonnes.

Another large producer, Canada, with an output of about 44m tonnes and exports of 32m tonnes, is also outside the association, but has less influence on the world market because most of its exports are tied to consumers in the U.S.

Former Liberian Minister for Lands and Mines, Mr. Cletus Wotorson, who is now a special adviser to the Liberian Government, was to have led an association delegation to Brazil this spring to start an informal dialogue between that country and the association.

But the recent coup d'etat in Liberia has delayed the visit. The new Liberian Minister Willie Nebo is expected to make the visit later this year probably together with Mr. Wotorson.

One of the visit's aims will be to assess whether there are problems common to all iron ore producers and exporters which could become the bases of joint bargaining positions in separate negotiations for an International Commodity Agreement to stabilise iron ore markets.

These talks, under the aegis of the UN Conference on Trade and Development (UNCTAD) have come to a standstill after two sessions, the last of which took place in 1978. Australia is totally against any collective action by iron ore exporters, a position opposed by the association's developing country members.

UK farmers seek end to EEC farm price stalemate

By Our Commodities Staff

BRITISH FARMERS are becoming increasingly concerned at the failure of EEC agriculture ministers to agree on new Common Market farm prices for the 1980 crop year.

Mr. Alan Jackson, deputy president of the National Farmers' Union, said yesterday that it was very important to reach an early decision on European farm prices. "Unless agreement is reached very soon then agricultural production in Britain will suffer and harm will be done to consumer prospects as well as to the agricultural industry.

"We need higher prices now and we cannot accept a further postponement for reasons which are beyond our control," Mr. Jackson said.

In the interests of all European farmers an early settlement was essential, he stated. "None of us is immune from inflation." The UK had the highest inflation rate in Europe, he noted.

At last weekend's summit in Luxembourg, Britain turned down a community price package which would have increased farm support prices by an average of 5 per cent because the failure to agree sufficient concesisons on UK budget contributions.

U.S. confirms 8m tonne grain sale deal with Russia

BY OUR ECONOMICS CORRESPONDENT

U.S. Agriculture Secretary Mr. Bob Bergland has confirmed that the USR will be permitted to buy up to 8m tonnes of U.S. grain in the year beginning October 1, 1980. This is the fifth an dfinal year of the U.S./Soviet grain supply agreement, which was negotiated in 1975 to ensure that the "great grain raid" of 1974, in which Russian buyers quietly bought up an embarrassingly large amount of the U.S. crop, could not be repeated.

Following the Russian intervention in Afghanistan, the U.S. responded by barring all sales of grain to Russia above the 8m tonnes agreed under the pact for the 1979-80 marketing year. It did not rule out, however, the possibility that the U.S. might cancel the agreement a year short of its allotted term.

Mr. Bergland said the U.S. would not abrogate the final year of the pact, but he stressed that the grain would not be sold at knock-down prices. "We are not going to conduct a fire sale," he stated.

Meanwhile domestic rancour about the embargo continued to simmer. The ban was an "unfair burden" on producers and grain merchandisers, Mr. Richard Goldbert, chairman of the Grain and Feed Association's agricultural policy committee told a conference yesterday.

He said the "food weapon" should never be used as a tool in foreign policy unless the U.S. has mobilised the entire economy for war.

And in a telegram to Mr. Bergland, the president of the American Farm Bureau Federation, Mr. Robert Delano, said the embargo was partly to blame for depressed U.S. grain prices. The market was uncertain how the Government would retender bought-in contracts for maize and wheat, he said.

He urged the agriculture secretary to ensure that the contracts were sold in an orderly manner.

All contracts of embargoed grain should be sold by July 1, he said, while offsetting quantit iesshould be purchased for later sale on a staggered basis. He also called for greater efforts to stimulate exports.

In the USSR, wet weather has halted fieldwork in most areas, the USDA and the National Oceanic Atmospheric Administration said. In a joint international weather and crop summary the agencies said warmer temperatures were needed to bring crop development up to normal levels.

● The EEC Commission has arranged to sell another 20,000 tonnes of subsidised butter to Russia, in spite of strong protests from British representatives.

Last year the Common Market sold nearly 140,000 tonnes of butter to the USSR and in spite of the Afghanistan situation no action was taken to halt this trade, which costs the Community more than £1,000 in subsidies for each tonne exported.

The EEC undertook, however, not to sell more than normal quantities to the Soviet Union though there was no sure way of stopping extra butter reaching that destination. It cannot be guaranteed that sales to other Eastern European countries are not being diverted to the Soviets.

This week's sale was arranged at the weekly export tender in the normal way.

Food aid convention signed

WASHINGTON — U.S. Agriculture Secretary Mr. Bob Bergland, yesterday signed the International Food Aid Convention of 1980, which pledges a minimum of 4,47m tonnes of grain a year as food aid for developing countries.

Under the Food Aid Convention, 19 nations pledged a total of at least 7.6m tones of food grain annually to developing nations.

Mr. Bergland noted that the total amount falls short of the target of 10m tonnes of wheat and other grains, and he urged oher naions o become donors, especially the oil producing countries.

He said legislation is before Congress to establish a 4m tonnes wheat reserve to ensure that the U.S. can meet its food aid commitments. "I hope the signing of the new food aid convention will speed the passage of this legislation," he said.

Boost for S. American oilseed output

WASHINGTON—Investments to expand oilseed production in South American countries will be stimulated by the current embargo on grain and oilseed shipments to the Soviet Union, a top official of the American Soyabean Association said.

Mr Allan Aves, president of the association, in remarks prepared for delivery to the final series of meetings on U.S. agriculture structure, said investors have been hesitant to continue expending large amounts of money necessary to clear and cultivate land in South America.

However, the current em*bargo is expected to stimulate* investments in oilseed production at the expense of the U.S. producer, Mr Aves said.

He conceded that large increases in South American soyabean production have occurred but "the majority of the growth was initially stimulated by U.S. (government) interevention in the free market-place in 1973." Mr Aves was referring to earlier embargoes placed on grain and soyabean shipments as a result of a fear of domestic supply shortages.

Future commodity programmes should involve greater reliance on free market forces. Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed on the London Metal Exchange. After a firm opening when forward metal traded up from £940 to £944 the market traded quietly until the opening on Comex. That market moved up strongly at the outset, encouraged by short-covering and forward metal touched a day's high of £951. This trend was short-lived, however, as general selling pared the price to £933 prior to a late rally which left three months metal at £944 on the late kerb. Turnover 24,050 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	917-8	+7	905-9	......
3 months	944-5	+9.5	932-3	-2.25
Settlem't	918	+7	—	......
Cathodes				
Cash	900-2	+5.5	891-3	-3
3 months	922-3	+4	914-5	-4
Settlem't	902	+4	—	......
U.S. Prod	—	......	*90.96.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £918, three months £944, 43, 42, 43, 44, 45, 46, 47, 46, 45, 46, 47, 46, 45, 44. Cathodes, cash £900, three months £923. Kerb: Wirebars, three months £944, 45, 44, 43. Afternoon: Wirebars, three months £950, 49, 48, 46, 45, 44.5, 44, 40, 39, 37, 36, 35, 34, 33, 32. Cathodes, three months £915. Kerb: Wirebars, three months £940, 41, 42, 43, 42, 40, 41, 40, 41, 42, 43, 44, 45, 45.5, 46, 45, 43, 44.

TIN—Moved ahead strongly following good demand for cash material and a steady performance by the Penang market. Forward metal opened at £7,560 and rose to £7,640 in the morning rings, buoyed by the strength of cash metal. Profit-taking pared the price to £7,610 on the morning kerb but the market picked up again in the afternoon on fresh buying which left forward metal at £7,630 on the late kerb. Turnover 975 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7730-50	+128	7740-60	+115
3 months	7645-50	+88.5	7640-60	+75
Settlem't	7750	+128	—	......
Standard				
Cash	7730-40	+120	7740-50	+120
3 months	7630-5	+92.5	7630-40	+70
Settlem t.	7740	+120	—	......
Straits E.	‡$2268	......		......
NewYork	—	......		......

Morning: Standard, cash £7,750, 60, 40, three months £7,630. Kerb: Standard, three months £7,620, 10. Afternoon: Standard, cash £7,740, 50, three months £7,620, 30, 40. Kerb: Standard, three months £7,630, 25, 30, 40.

LEAD—Lost ground in subdued trading but finished well above the day's low. Forward metal opened at £395 and declined to £378 on the morning kerb, reflecting persistent small selling. In the afternoon the market picked up to close the late kerb at £384, reflecting the late recovery of copper. Turnover 8,775 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	375-.5	-20½	377-8	-12.5
3 months	382-.5	-17	383-4	-12
S'ment	376.5	-28.5	—	......
U.S. Spot	—	......	*40	-8

Morning: Cash £381, 80, 79, 77, 76.5, three months £388, 87, 85, 87, 86, 85, 83. Kerb: Three months £384, 83, 82, 80, 78, 77, 76, 77, 78. Afternoon: Cash £377, three months £383, 82, 83, 84, 83. Kerb: Three months £382, 81, 80, 81, 82, 83, 82, 85.

ZINC—Moved narrowly in idle trading with forward metal finally £308 on the late kerb after extremes of £313 and £308. Turnover 4,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	301.5-3	+2.75	297-9	-2
3 months	311-2	+2	308-9	-3
S'ment	303	+3	—	......
Primw'ts	—	......	*37.5	......

Morning: Cash £300, three months £311, 10, 11. Kerb: Three months £309. Afternoon: Three months £311, 10, 08, 09. Kerb: Three months £310, 09.

ALUMINIUM—Easier for three months metal although there was good buying of cash material throughout the morning. Forward metal opened at £819 and thereafter traded in a narrow range before closing the late kerb at £817. Cash metal touched £854 at one point prior to easing towards the close of business. Turnover 6,175 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	852-3	+19	840-5	+19
3 months	820-1	+4	816-7	-5

Morning: Cash £845, 47, 50, 51, 53, 54, 52, three months £820, 21, 22, 23, 22, 21, 20. Kerb: Three months £820, 19. Afternoon: Three months £818, 17, 15, 16. Kerb: Three months £818, 17.

NICKEL—Slightly firmer owing to the easier trend in sterling against the dollar. Three months metal rose to £2,780 in the morning rings but gave ground thereafter to close the late kerb at £2,762.5. Turnover 294 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2675-80	+45	2660-70	+12.5
3 months	2780-5	+45	2765-5	+11.5

Morning: Three months £2,760, 70, 80. Kerb: Three months £2,770. Afternoon: Three months £2,765, 70, 65, 62, 63.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 2.15p an ounce higher for spot delivery in the London bullion market yesterday at £6.097. U.S. equivalents of the fixing levels were: Spot $13.834, down 3.6c; three-month $14.25, down 8.3c; six-month $14.825, down 12.7c; and 12-month $15.807, down 33.6c. The metal opened at £5.95-6.3 ($13½-14¼) and closed at £6-6.95 ($13½-14¼).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	609.7p	+2.15	601.5p	-5
3 months	632.2p	+8.50	622.5p	-8
6 months	650.20p	-1.7	—	......
12months	770.20p	+1.7	—	......

LME—Turnover 88 (136) lots of 10,000 ounces. Morning: cash 614; three months 636, 35. Kerbs: three months 632, 30. Afternoon: three months 629, 30, 25.

COCOA

Levels continued to decline and once more new contract lows were established. Physical cocoa beans traded quietly but products were active and there was good consumer offtake although producers remain sidelined, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1210-11	-28.0	1244-05
July	1232-34	-18.0	1265-27
Sep	1252-55	-20.0	1284-51
Dec	1302-05	-21.0	1330-01
March	1340-41	-21.0	1372-40
May	1367-75	-14.0	1395-90
July	1391-94	-17.5	1415

Sales: 5,071 (2,404) lots of 10 tonnes.

COFFEE

In mixed activity Robustas rallied £10-£13 from previous closing levels, but volume was light as the market made a minor technical adjustment to a slightly over-sold situation. The majority of the day's turnover consisted of producer-type involvement, and this gradually became the dominant feature, reports Drexel Burnham Lambert.

COFFEE	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
May	1601-02	+8.5	1604-92
July	1644-46	+11.0	1649-36
Sept	1682-84	+7.5	1681-80
Nov	1700-01	+9.5	1709-98
January	1695-98	+11.0	1701-94
March	1640-44	+9.5	1645-43
May	1610-40	-2.5	—

Sales: 3,956 (2,954) lots of 5 tonnes.

ICS indicator prices for April 29 (U.S. cents per pound): Other Mild Arabicas 177.67 (178.50); Robustas ICA 1976 163.75 (164.00); ICA 1968 164.00 (164.25). Unwashed Arabicas 208.00 (210.00). Comp. daily ICA 1968 184.86 (186.25).

GRAINS

LONDON GRAIN FUTURES—Wheat values *remained* about steady through*out the day and the market closed* steady, 30p up. May barley opened 75p down on lack of buying interest and closed 45p lower on the day. New crops opened unchanged and values remained steady in thin trade to close 15-40p up on wheat and unchanged to 15p up on barley, reports Acli.

WHEAT			BARLEY	
M'nth	Yesterday close	+ or —	Yesterday close	+ or —
May	93.30	+0.30	91.55	-0.45
Sept	93.75	+0.15	91.35	+0.05
Nov	97.55	-0.15	95.25	+0.15
Jan	101.35	+0.30	98.95	......
Mar	104.65	+0.40	102.30	+0.10

Business done—Wheat: May 93.50-93.00, Sept. 93.75-93.50, Nov. 97.60-97.30, Jan. 101.15-101.00, March 104.25-104.25. Sales 98 lots of 100 tonnes. Barley: May 92.00-91.50, Sept. 91.45-91.25, Nov. 95.30-95.00, Jan. 99.05-98.90, March 102.30-102.20. Sales 92 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, May 91.50, June 92, July 92.50, transhipment East Coast. English Feed fob May 98.50, June 99.50 quoted East Coast. Maize: French April 117.25 quoted, May 117.75 quoted East Coast. S. African Yellow May-June 80.00. Barley: English Feed fob May 97.50 paid and seller East Coast, June 98.75 paid East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 92.60, E. Midlands 93.90, N. East 93.30, Scotland 90.70. Other milling wheat: E. Midlands 94.90, N. East 96.10.

RUBBER

The London physical market opened slightly steadier with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 307 (304) cents a kg (buyer, May).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	64.30-64.50	63.00-63.30	64.50-63.90
July	64.90-65.50	64.00-64.50	—
Jly-Sept	66.30-66.50	65.70-65.80	66.40-66.20
Oct-Dec	70.30-70.50	69.60-69.80	70.40-69.80
Jan-Mar	73.00-73.10	72.40-72.50	73.10-72.70
Apr-Jne	75.90-76.10	75.20-75.30	—
Jly-Sept	78.50-78.90	78.00-78.10	78.60
Oct-Dec	81.30-81.40	80.70-80.90	81.50-81.20
Jan-Mar	84.00-84.70	83.40-83.50	—

Sales: 171 (287) at 15 tonnes, 10 (12) at 5 tonnes.

Physical closing prices (buyers) were: Spot 64.00p (62.00p); June 65.75p (66.00p); July 67.50p (66.75p).

SOYABEAN MEAL

The London market opened with losses of around 50p on lack of physical offtake, reports T. G. Roddick. Commission house buying encouraged by weaker sterling steadied prices, which rallied and closed with little change on the day.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	108.00-08.4	+0.15	108.20-107.50
August	107.80-08.2	+0.15	107.70-107.50
October	105.50-05.6	-0.20	105.70-105.00
December	108.40-08.7	+0.05	108.40
February	111.00-11.5	+0.25	111.00
April	112.50-14.0	—	—
June	115.50-17.0	+0.50	—

Sales: 91 (32) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £248.00 (£241.00) a tonne cif for April-May-June shipment. White sugar daily price was £257.00 (£252.00).

Reports that recent purchases by India may total 400,000 tonnes stimulated short-covering sufficient to absorb substantial profit-taking at the higher levels. Later reports that Uruguay and Peru were holding buying tenders today produced a further rally, and closing prices were around the highs of the day, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	252.50-53.00	249.75-47.00	254.00-46.00
Aug	275.65-75.70	264.80-64.90	275.00-64.50
Oct	285.00-85.25	272.80-72.90	284.50-72.25

Sales: 8,754 (4,313) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only). Aug. 275.75, 276.50; Oct. 284.50, 284.75; Jan. 288.75, 289.00; March 297.50, 298.00; May 300.00, 301.00; Aug. 300.00, 302.00. Sales: 1,179 (591).

Ttate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £337.50 (£322.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 29: Daily price 22.70 (22.77): 15-day average 21.83 (21.65).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 124 tonnes, bringing the total for the week so far to 247 tonnes. Moderate demand made up for the lack of interest in the previous session but not more than occasional contracts were fixed up. Most of these were an American-type variety with African styles attracting much attention.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). New Zealand cents per kilo. May 350, 365; Aug., Oct., Dec., Jan. 360, 375; March 370, 390; May 370, 391; Aug. 375, 395; Oct. 375, 395.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. May 421.0, 423.0, 429.0-420.0, 165; July 430.0, 431.0, 435.0-427.0, 329; Oct. 436.0, 437.0, 439.9-434.0, 103; Dec. 441.0, 442.0, 444.5-438.5, 152; March 448.0, 454.0-448.0, 135; May 448.0, 450.0, 455.0-449.0, 89; July 451.0, 458.0-451.0, 37; Oct. 456.0, 457.0, 460.0-453.0, 28. Sales: 1,018.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 69.0 to 73.0; Eire hindquarters 83.0 to 86.0, forequarters 49.0 to 52.0. Lamb: English small 80.0 to 90.0. Imported frozen: New Zealand PL 61.5 to 62.0, PM 59.0 to 60.0. Hoggets: English 50.0 to 64.0. Pork: English, under 100 lb 42.0 to 49.0, 100-120 lb 40.0 to 47.0, 120-160 lb 38.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 30. GB cattle 85.79p per kg lw (+0.58); UK sheep 143.5p per kg est dcw (−5.2): GB pigs 88.5p per kg lw (+1.8).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Vernas 4.00-4.50, Bloods 3.30-3.80; Jaffa: Valencia Lates 50/168's 4.40-5.60; Egyptian: Valencia Late 75/125's 3.00-3.20; Moroccan: 64/113's 4.10-4.60; Cyprus: Valencia Late 3.00-3.50. Ortaniques—Jamaican: 54/126's 5.00-6.00. Lemons—Italian: 100/150's 4.50-4.65; Spania: Trays 25/45's 1.80-3.40, boxes 4.20-5.20; Californian: 99/165's 6.00-6.30. Grapefruit—Cyprus: 20 kg 4.00-5.40; Jaffa: Large boxes 32/88's 4.15-5.05. Apples—Argentine: Red Delicious 150's 8.40; New Zealand: Cox's Orange Pippins 9.20-9.60; Chilean: Granny Smith large boxes 125/150's 7.80; South African: Golden Delicious 7.25-7.50, Starking 7.20-7.50, White Winters 150/180's 7.20-7.60, Granny Smith 8.50-8.80; French: Golden Delicious, boxes 40 lb 138/175's 4.00-4.60, 20 lb 1.80-2.40; Italian: Jonathan 0.09½, Romes 0.12. Pears—South African: Approximately 34 lb Beurre Bosc 5.30-5.50, Packham's 6.70-7.50; Italian: Passacrassane 12 lb 1.50-1.80, 16 lb 2.00-2.30. Grapes—South African: Barlinka 3.80, Golden Hill 7.20. Strawberries—Per punnet, Californian: 0.80; Spanish: 0.25-0.30; *Italian: 0.25-0.30*; Portuguese: 0.25-0.30. Avocados—South African: 3.80-4.20. Pineapples—Ivory Coast: Each 12's 0.40-0.70, 6s 1.00-1.10; South African: 6/9's 2.60-3.00. Bananas—Jamaican: 28 lb, per pound 0.17. Tomatoes—Canary: 3.60-4.50; Dutch: 5.20-5.40; Jersey: Per pound 0.40-0.42½; Guernsey: Pink 5.20. Onions—Canadian: 50 lb 4.60; South African: 5.00; Chilean: 4.30-4.60; Tasmanian: 20 kg 5.00; New South Wales: 44 lb 4.40; Dutch: 4.50. Cucumbers—Dutch: 2.40-2.80. Chicory—Belgian: 5 lb 1.80-2.00. Potatoes—Egyptian: King Edwards 3.80-4.00; Canary: 5.00; Cyprus: New crop 20 kg 4.40; Jersey: Per pound 0.80; Italian: 55 lb 5.20-5.40. Carrots—Dutch: 10 kg 3.50; American: Pre-pack 48 x 1 lb 7.00. Capsicums—Canary: 6 kilos 2.80-3.00. English Produce: Potatoes—Per bag 2.30-2.60. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.11-0.18, Cox's Orange Pippins 0.13-0.20, Laxtons 0.10-0.12. Pears—Per pound Conference 0.11-0.17. Swedes—Per 25/28 lb 0.60-0.70. Turnips—Per 28 lb 1.20. Carrots—Per bag 1.00-1.50. Cabbages—Per bag 1.40, White 1.50. Cauliflowers—Per 12's English 1.20-2.00. Cucumbers—Trays 16/20's 2.80-3.20, pre-pack 16/20's 3.20-3.60. Tomatoes—Per pound 0.40-0.42½. Lettuce—Per 12 round 0.50-0.60. Parsnips—Per 28 lb 1.00-1.20. Rhubarb—Per pound outdoor 0.05. Onions—Per bag 4.50-4.80. Beetroots—Per bag, round 1.20, long 1.80. Celery—English 12/30's 3.20-4.00.

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GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.00, codlings £3.60-£4.40. Large haddock £3.50-£5.00, medium £3.30-£3.60, small £1.90-£2.00. Large plaice £3.00-£3.20, medium £3.00-£3.20, best small £3.00-£3.60. Skinned dogfish (large) £8.00, medium £5.00. Lemon soles (large) £7.50, medium £5.00. Saithe £2.00-£2.20.

PRICE CHANGES

In tonnes: unless otherwise stated.

	April 30 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1880/1890	-15	$1859/80
Copper			
Cash w'bar	£907.5	......	£938.5
3 mths	£932.5	-2.25	£960.5
Cash Cathode	£893	-3	£902
3 mths	£914.5	-4	£934
Gold troy oz	$514.5	-4	$501
Lead cash	£377.5	-12.5	£448
3 mths	£383.5	-12	£436.5
Nickel	£3,477	......	£3,477
Freemkt(cif (lb	275/305c	......	288/315c
Platin'mtr'y oz	£189-193	......	£188/193
Free mkt	£254.70	+1.65	£264.30
Quicksil'ver†	$395/405	-5	$400/412
Silver troy oz	609.70p	+2.15	599.15p
3 months	632.30p	+4.30	724.15p
Tin Cash	£7,745	+120	£7,735
3 mths	£7,635	+70	£7,790
Tungsten22.04lb	$140.73	......	$141.14
Wolfrm 22.04 lbs	$138/143	-1	$144/148
Zinc cash	£298	-2	£309
3 months	£308.5	-3	£315.75
Producers	$780-825	......	$825
Oils			
Coconut (Phil)	$600u	-20	$700
Groundnut	‡	......	‡
Linseed Crude	£395s	......	£450
Palm Malayan	‡	......	$610
Seeds			
Copra Philip	$575s	-15	$465
Soyabean(U.S.)	$262.85x	......	$250.5
Grains			
Barley Futures	£91.35	+0.85	£90.7
Maize			
French No3AM	‡	......	£116.50
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Millingt.	‡	......	‡
Other commodities			
Cocoa ship.t	£1,274	-17	£1,419
Future July	£1,233	-18	£1,392.5
CoffeeF't'rJuly	£1,645	+11	£1,534.5
Cotton A.Index	89.05c	+0.15	93.5c
Rubber (kilo)	64p	-2	64.50p
Sugar (Raw)	£248	+7	£210
Wooltp's 64s kl	293p kilo	......	300pkilo

u June. s May. t-May-June. r April-May. x July. z Indicator. § Buyer. † Per 76-lb flask.

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AMERICAN MARKETS

NEW YORK, April 30.

SILVER AND gold prices collapsed on chairman Volcker's testimony that Hunt brothers would be restrained from speculation as a pre-condition for obtaining loans. Copper followed suit and closed sharply lower. Coffee was featureless in a mixed market, while cocoa came under a lot of pressure because of stop-loss selling. Sugar retreated from its best levels and drifted lower on the Hunt news, as did cotton. Livestock sold sharply lower, but pork bellies rallied on short-covering. Slow demand is still a problem for red meats. Grains and soyabeans rallied on the close for minor gains, reported Heinold.

Copper—May 87.70-87.88 (89.50), June 89.00 (90.60), July 90.10-90.50, Sept. 92.20-92.80, Dec. 96.00, Jan. 96.60, March 98.60, May 100.50, July 104.00, Sept. 103.80, Dec. 106.20, Jan. 107.00, March 108.00. Sales: 9,300.

*Platinum—May 542.0-548.0 (581.0), June 559.0 (589.0), July 567.0, Oct. 587.0, Jan. 607.0, April 626.0, May ——. Sales: 1,478.

Potatoes (round whites)—May 49.6-60.0 (46.9), Nov. 73.5 (72.4). Sales: 1,056.

*Silver—May 1250.0-1256.0 (1367.5), June 1281.0 (1381.0), July 1300.0, Sept. 1334.0, Dec. 1386.0, Jan. 1403.0, March 1436.0, May 1469.0, July 1502.0, Sept. 1535.0, Dec. 1586.0, Jan. 1602.0, March 1634.0. Sales: 5,000. Handy and Harman bullion spot 1359.00 (1369.00).

Sugar—No. 11: May 24.10-24.25 (24.10), July 24.70-24.90 (24.98), Sept. 25.50-25.59, Oct. 25.80-25.85, Jan. 26.30-26.60, March 27.15-27.20, May 27.20-27.30, July 27.70, Sept. 27.70-28.10. Sales: 18,455.

Tin—802.00-810.00 asked (800.00-810.00).

CHICAGO, April 30.

Lard—Chicago loose 18.25 (same). New York prime steam 19.75 (same).

Live Cattle—June 64.95-64.70 (65.75), Aug. 64.20-64.05 (64.70), Oct. 62.47-62.55, Dec. 62.60-62.75, Jan. 63.50, Feb. 63.50-63.30, April ——.

Live Hogs—June 34.55-34.40 (34.95), July 35.85-35.75 (36.20), Aug. 35.17-35.15, Oct. 35.90-35.85, Dec. 38.47, Feb. 41.67-41.40, April 40.95, June 44.37, July 44.00.

‡‡Maize—May 265½-265¼ (265½), July 278¾-278½ (278), Sept. 289, Dec. 295½-295¾, March 307-306½, May 312¾.

Pork Bellies—May 30.40-30.15 (29.62), July 31.75-31.50 (31.05), Aug. 31.75-31.60, Feb. 47.45, March 47.40, May 48.40, July 48.75, Aug. 47.75.

Silver—May 1230.0 (1381.0), June 1360.0 (1400.0), July ——, Aug. 1395.0, Oct. 1430.0, Dec. 1465.0, Feb. 1499.0, April 1533.0, June 1567.0, Aug. 1601.0, Oct. 1635.0, Dec. 1671.0, Feb. 1707.0, April 1743.0, June 1779.0, Aug. 1815.0, Oct. 1851.0.

†Soyabeans—May 594-595 (590¼), July 618-615 (613¾), Aug. 625, Sept. 633, Nov. 646-649, Jan. 664-663½, March 680-680½, May 692.

‖Soyabean Meal—May 163.8-164.0 (163.8), July 172.0-172.2 (172.2), Aug. 175.6, Sept. 178.5-178.8, Oct. 181.3, Dec. 185.7-185.8, Jan. 188.0, March 192.5, May 195.0-196.0, July 201.1-202.0.

Soyabean Oil — May 19.84-19.88 (19.81), July 20.40-20.37 (20.35), Aug. 20.60-20.65, Sept. 20.85-20.80, Oct. 21.25-21.00, Dec. 21.50-21.55, Jan. 21.60, March 21.90, May 22.35-22.40, July 22.72.

†Wheat—May 385-386 (383½), July 399-399½ (395½), Sept. 413½-414, Dec. 431-432, March 443-444, May 450.

WINNIPEG, April 30. §Barley—May 110.60 (109.60), July 113.80 (112.20), Oct. 113.80, Dec. 113.40, March 113.40.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

PARIS, April 30.

Cocoa (FFr per 100 kilos)—May 1150-1200, July 1228, Sept. 1220-1223, Dec. 1235-1240, March 1250-1280, May 1260-1300. Sales at call 4.

Sugar (FFr per 100 kilos)—July 2490-2530, Aug. 2546-2547, Oct. 2600-2605, Nov. 2580, Dec. 2651-2670, March 2740-2740, May 2790-2850, July 2800. Sales at call 12.

Sugar (FFrs per 100 kilos). July 2490-2530, Aug. 2546-2547, Oct. 2600-2605, Nov. 2580, Dec. 2651-2670, March 2740-2770, May 2790-2850, July 2800. Sales at call 12.

INDICES

FINANCIAL TIMES

Apr. 29	Apr. 28	M'nth ago	Year ago
275.56	277.79	284.07	277.11

(Base: July 1, 1952=100)

MOODY'S

Apr.28	Apr. 29	M'nth ago	Year ago
1113.7	1123.9	1121.8	1055.9

(December 31, 1931=100)

DOW JONES

Dow Jones	April 28	April 29	Month ago	Year ago
Spot	417.47	414.42	391.42	392.73
F'tur's	424.44	424.20	418.02	394.81

(Average 1924-25-26=100)

REUTERS

Apr. 30	Apr. 29	M'nth ago	Year ago
1682.1	1678.2	1697.8	1561.7

(Base: September 18, 1931=100)

French plan salt use

France is proposing that the countries on the Rhine River market the salt from the Alsace potash works instead of dumping it in the river and raising its pollution level, according to France's Industry Minister.

Under this plan, France, West Germany, Holland and Switzerland would each undertake to sell part of the salt on their domestic markets.

The minister said France could not absorb all the 1m tons a year of salt generated by the Alsace potash mines without disrupting its own market. Therefore, it was envisaged that 300,000 tons each be sold in France and Germany, 340,000 in Holland and 60,000 in Switzerland.

PUBLIC NOTICES

LANCASHIRE COUNTY COUNCIL
£10,000,000 bills issued on 30.4.80 at 15¾% to mature 30.7.80. Total applications were £70,000,000 and these are the only bills outstanding.

TRADE DESCRIPTIONS ACT 1968
SEALSKIN GOODS
NOTICE OF AN ORDER UNDER SECTIONS 8 AND 9

The Secretary of State for Trade hereby gives notice of his intention to make an Order under sections 8 and 9 of the Trade Descriptions Act imposing requirements as to the information to be given with respect to sealskin goods, including information in advertisements for the supply of such goods. Copies of the proposed Order may be obtained from the Department of Trade, Consumer Affairs Division, Room 2809, Millbank Tower, Millbank, London SW1P 4QU

Gilt-edged again attract overseas and domestit funds
Equity investors concentrate on secondary stocks

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19
May 12	May 28	May 30	June 9

* "New time" dealings may take place from 9 am two business days earlier.

Fresh optimism developed in stock markets yesterday about Minimum Lending Rate falling before previously envisaged, perhaps in the next month or so. This followed calls for a reduction in domestic interest rates sooner rather than later this year from the CBI, which is concerned about the damage the current prolonged spell of dearer money is having on industry.

The bulk of investment funds went into Government securities, and there was further evidence of strong overseas interest despite yesterday's easier tone in sterling. At one stage, the gains in long Gilts stretched to over a point with trade being inhibited by stock shortage, but news of the Iranian embassy siege in London introduced caution and profit-taking left final quotations below the best.

Equities were not overshadowed by the continued prominence of Gilts, although business in many leading shares was again negligible. Institutional investors concentrated their attention on secondary stocks, where some sizeable lines of stock changed hands, while speculative enthusiasm still focussed on selected North Sea oils, onshore oil exploration concerns and situation issues.

Throughout the session, the equity sectors were guided by the tone in British Funds where gains were eventually pared to a maximum of ¾—the new ultra-long Treasury 13½ per cent 2004/08 rose to 21¾ in £20-paid form before settling a net ½ better at 21⁹⁄₁₆—and conformed with the late trend. This had the effect of reducing a noon rise of 6.0 in the FT 30-share index to 3.7 at the close of 440.4, at which level it was showing a gain of nearly 13 points over the last three days; in the same period, long Gilts have risen over three points.

outhern Rhodesian issues were a minor feature in the Foreign Bonds section, the 2½ per cent 1965/70 stock gaining 5 points more to £139.

Discounts better

Demand for Traded options improved slightly and 498 contracts were completed. Cheaper money hopes attracted interest in Land Securities, 107 trades.

Continuing to reflect the strength of gilt-edged securities, Discount houses made further useful progress. The increased dividend outweighed news of the annual deficit and Gerrard and National moved up 6 to 224p, while Smith St. Aubyn rose 10 to 122p on the better-than-expected preliminary figures. Jessel Toynbee gained 4 to 70p, also after trading news. Cater Ryder, 295p, and Gillett Bros., 165p, added 7 apiece, while Seccombe Marshall and Ross improved 5 to 350p. Cheaper money hoped buoyed Hire Purchases. F.C. Finance firmed 5 to 80p as did Provident Financial, to 112p, while Lloyds and Scottish appreciated 4 to 146p. Merchant banks rose in places with Corinthian 3 higher at 29p in response to Press comment. Keyser Ullmann put on 3 to 63p. The major clearers, however, moved against the trend with sporadic offerings in an unwilling market leaving falls ranging to 6.

Interest in Insurances continued at a low ebb, but the trend was again to higher levels. Sun Alliance, 594p, recorded an above-average rise of 12, while GRE rose 6 to 252p as did Royals, to 334p.

Support for leading Breweries left Scottish and Newcastle up 2½ at 56p and Allied 1½ harder at 75p.

Buildings displayed several notable firm features. P. C. Henderson, 128p, and the A, 118p, were marked up 30 and 31 respectively on the increased annual pofits and the proposal to enfranchise the A shares. Armitage Shanks encountered a flurry of buying and firmed 6 to 81p, after 82p, on hopes of an early outcome to the Monopolies Commission inquiry into Blue Circle's bid for the company. Buying ahead of trading statements due today left John Mowlem 4 to the good at 105p and Newarthill 10 up at 250p, the latter in a thin market. Elsewhere, British Dredging put on 3 to 23p and Manders firmed 4 for a three-day gain of 17 to 160p. Among the leaders, Tarmac, which rose 11 on Tuesday in response to the better-than-expected annual profits, touched 242p before settling a penny cheaper on balance at 238p.

Business in ICI was subdued, but the price rose 4 to 366p, after 368p, on small buying.

Maple up

Selected secondary Stores continued to make progress on strong speculative buying. Press comment helped recently dull MFI, 4 better at 59p, while Status Discount, currently the subject of an offer from MFI, added a similar amount at 54p. Bid hopes lifted Owen Owen 3 more to 135p, while Elys (Wimbledon), 170p, and Grant Bros. 97p rose 15 and 4 respectively in sympathy. Support was also noted for Polly Peck, 8 up at 35p, and for Moss Bros. 13 higher at 273p. Maple rose 4 to 35p to match the increased offer terms from Waring and Gillow, 2 cheaper at 109p. A. G. Stanley put on 4 to 75p following substantially higher preliminary earnings, but A. Caird provided an outstanding weak ftature, falling 20 in a narrow market to 130p in response to the annual profits setback.

Further consideration of the company's decision to withdraw from the medical scanner market prompted a reaction of 6 to 292p in Thorn EMI. Elsewhere in the Electrical leaders, Plessey continued to make headway at 146p, up 5, but GEC ended a shade lower at 371p, after 375p. Telephone Rentals responded to the preliminary figures with a gain of 4 to 205p.

The Engineering leaders continued to make headway, but there were few signs of any expansion in trading activity. GKN were noteworthy for a rise of 6 to 278p, while Tubes improved 4 to 250p and Vickers 3 further to 127p. Elsewhere, occasional buying interest lifted Spirax-Sarco 7 to 188p and APV 8 to 190. Ayrshire Metal responded to the increased dividend and profits with a rise of 5 at 74p, while others to improve on trading statements included Hawthorn Leslie, 1½ harder at 85½p, and Turriff, 2 dearer at 95p. Wadkin put on 3 to 83p following favourable Press mention.

Leading Foods usually closed below the best, but A.B. retained a gain of 5 at 93p. Elsewhere, Barker and Dobson put on 4½ to 18p on demand that developed late on Tuesday. Clifford's Dairies A, at 98p, relinquished 4 of the previous day's gain of 22 which followed Unigate's rejected bid.

Ladbroke put on 5 to 150p helped by the chairman's statement, while Comfort Hotels firmed 1½ to 23½p in response to the satisfactory annual results.

Solicitors Law firm

Miscellaneous industrial leaders again took heart from the Gilt market's strength but best levels were not held. Still reflecting hopes about the group's Zimbabwe prospects, Turner and Newall improved 3 more to 114p. Elsewhere, buying in the wake of the stormy annual general meeting left Solicitors' Law Stationery 4 to the good at 27p, while renewed speculative support lifted Provincial Laundries 2 further to 45p and the 12 per cent Convertible 1986-88 10 more to 440p. An investment recommendation prompted improvements of 2 and 4 respectively in J. Bibby, 172p, and William Baird, 170p, while Scottish Heritable Trust hardened 2 to 41p in response to the results. A firm market of late following favourable week-end Press comment, European Ferries edged forward a penny further to 123p on news of an associate's property development deal in America. Siebe Gorman found support at 187p, up 10, and James Wilkes were notable for a rise of 8 at 54p. Petrocon, 22p, retrieved 4½ of the previous day's fall of 7½ which followed the annual profits setback and dividend omission. By way of contrast, Uniflex fell 8 to 63p on the disappointing preliminary results and Alpine cheapened a penny more to 92p after further consideration of the board's profits warning.

Up 12 on Tuesday as bid rumours gathered momentum, Management Agency and Music touched 150p before closing a net 4 higher at 146p. Pleasurama picked up 6 to 142p.

Motor Distributors displayed an irregular appearance. T. C. Harrison added a couple of pence to 56p following the higher annual profits and dividend, but Harold Perry were again sold and eased 6 to 132p.

The prospect of cheaper borrowing in the not-too-distant future encouraged further demand for Properties, but early gains were pared as interest subsided and left Land Securities just a couple of pence higher at 333p, after 336p. Elsewhere, Property Partnerships touched 208p before settling a net 7 up at 200p on suggestions of an asset revaluation. Laing Properties attracted buyers and put on 6 to 163p.

Oils below best

Oil shares continued to attract a considerable amount of trading activity, but in many cases final quotations were below the day's best. Still reflecting the Humbly Grove drilling report, Carless Capel improved afresh to 123p before ending 4 higher on balance at 121p, while Candecca closed 6 firmer at 126p, after 130p. Aran were good at 344p, up 12, and Clyde advanced afrsh to 468p before settling at 460p for a rise of 35. Outside of the more speculative issues, Ultramar were outstanding with a gain of 26 to 654p on hopes that good first quarter figures will be announced at next week's annual meeting. British Petroleum settled without alteration at 332p, after 338p as did Shell at 346p, after 350p.

Reflecting the general improvement in equities, Trusts moved up on a broad front. Le Vallonet were noteworthy for a gain of 5 to 36p following news that the company has formed a new 90 per cent-owned subsidiary in Alberta Canada to participate in oil and gas exploration in North America. Financials were featured by a rise of 15 to 185p in Mercantile House on the announcement of an agreement in principle to acquire three subsidiary companies of J. P. Cabot Equity Corporation of New Yorfi.

Among Shippings, the profits forecast which accompanied trading results for the eight months to date prompted firmness in Common Bros., up 10 at 300p.

Textile trended firmer, where altered with Nottingham Manufacturing, 93p, and Lister, 51p both adding 4.

Profits at the top end of market estimates boosted Bats issues with both the Ordinary and Deferred improved 18 to the common price of 245p.

Quiet Mines

South African Golds staged a minor recovery, despite the easier trend in the bullion price, following small-scale "cheap" buying. Towards the end of trading, however, the market began to drift as the bullion price dipped to close $4 cheaper at $514.5 an ounce. Nevertheless, the Gold Mines index registered a gain of 5 points to 301.4.

Financials were generaly a shade firmer in subdued trading. "Amgold" advanced a half-point to £34¼ and Anglo American Corporation rose 10 to 540p. De Beers touched 388p before easing to close 7 up on balance at 385p following the chairman's statement.

Australians provided several features. After losing ground at the outset, the Rundle twins staged a strong recovery in the after-hours' trade following the report for the quarter to end-March which contained news of a major oil-shale unit in the Condor leases on the Queensland coast. Central Pacific rallied from £20¼ to close only a ¼ down on balance at £21¾, while Southern Pacific Petroleum were finally 44 up at 831p.

Heavy speculative buying in overnight domestic markets and renewed interest in London lifted Leichardt a further 40 for a two-day jump of 65 to 260p, after 265p.

Hill 50 Gold were marked up 8 to 32p following news of the proposed one-for-one rights issue at 25 cents per share, the proceeds of which will be used for the re-opening of the Morning Star gold mine in Western Australia.

FINANCIAL TIMES STOCK INDICES

—	Apr. 30	Apr. 29	Apr. 28	Apr. 25	Apr. 24	Apr. 23	A year ago
Government Secs.	67.28	66.74	66.22	65.61	66.48	66.80	76.32
Fixed Interest	67.07	66.62	66.41	66.48	67.11	67.13	77.25
Industrial	440.4	436.7	432.1	427.5	434.8	435.9	544.8
Gold Mines	301.4	296.4	304.8	326.8	308.1	302.4	154.7
Ord. Div. Yield	8.00	8.07	8.15	8.25	8.09	8.07	5.34
Earnings, Yld. % (full)	19.56	19.71	19.87	20.08	19.89	19.85	14.32
P/E Ratio (net) (*)	6.20	6.16	6.11	6.03	6.11	6.13	8.96
Total bargains	18,995	18,273	16,665	19,011	17,701	17,038	—
Equity turnover £m	—	79.61	73.29	101.55	98.14	98.45	115.41
Equity bargains total	—	12,407	11,821	14,841	13,322	12,711	24,308

10 am 440.1. 11 am 442.7. Noon 442.7. 1 pm 442.3. 2 pm 442.3. 3 pm 442.4.

Latest Inde 01-246 8026.

* Nil 5.82.

Basis 100 Govt. Secs. 15/10/26. Fied Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 30	Apr. 29
—Daily		
Gilt Edged	113.5	130.6
Industrials	105.1	109.5
Speculative	21.1	33.3
Totals	74.3	84.3
5-day Avrge.		
Gilt Edged	112.1	110.1
Industrials	111.4	112.2
Speculative	35.1	36.7
Totals	78.8	79.1

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	87	—	2
Corpns., Dom. and Foreign Bonds	35	3	28
Industrials	386	101	857
Financial and Prop.	273	21	208
Oils	29	5	15
Plantations	3	1	23
Mines	56	21	78
Others	89	21	78
Totals	968	159	1,290

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	330	30	4	42	—	56	—	335p
BP	360	18	21	30	—	42	—	"
BP	390	9	1	21	6	—	—	"
BP	420	3	6	13	1	—	—	"
Com. Union	120	21	10	27	—	31	—	133p
Com. Union	130	13	20	20	—	24	—	"
Com. Union	140	8	12	15	—	19	—	"
Cons. Gold	550	11	15	26	—	—	—	474p
Courtaulds	70	4	—	6	3	8	—	68p
Courtaulds	90	1	6	—	—	—	—	"
GEC	330	56	13	69	—	—	—	370p
GEC	360	34	5	49	—	67	—	"
GEC	390	17	3	32	—	50	—	"
Grand Met.	120	14	—	17½	2	22	2	126p
Grand Met.	130	7	13	12	1	17	12	"
Grand Met.	140	4	10	7½	11	—	—	"
ICI	330	25	10	60	—	71	—	366p
ICI	390	12	1	19	—	31	—	"
ICI	420	4½	25	9	—	—	—	"
Land Secs.	280	61	2	74	—	—	—	334p
Land Secs.	300	41	41	58	20	69	—	"
Land Secs.	330	22	43	37	1	49	—	"
Marks & Sp.	90	6	—	10½	—	13	1	89p
Marks & Sp.	100	2½	3	6	—	—	—	"
Shell	360	18	5	29	—	40	—	347p
Shell	390	8	1	18	—	—	—	"
Totals			270		45		15	
		May		August		November		
Imperial Gp.	80	3½	20	6½	41	8	—	80p
Imperial Gp.	90	¾	50	2½	—	3½	—	"
Racal Elec.	200	43	—	50	5	60	4	242p
Racal Elec.	220	23	31	35	—	46	—	"
Racal Elec.	240	12	3	22	10	34	—	"
RTZ	350	17	—	37	—	50	2	368p
RTZ	390	6	—	20	—	38	2	"
Totals			104		56		8	

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (158)

BRITISH FUNDS (36)
CORPORATION LOANS (7)
COM'WEALTH & AFRICAN LOANS (3)
AMERICANS (2)
BANKS (8)
BEERS (6)
BUILDINGS (7)
CHEMICALS (1)
DRAPERY & STORES (3)
ELECTRICALS (5)
ENGINEERING (5)
FOODS (3)
INDUSTRIALS (15)
INSURANCE (2)
LEISURE (1)
PAPER & PRINTING (1)
PROPERTY (33)
SHIPPING (2)
TEXTILES (1)
TRUSTS (7)
OILS (10)

NEW LOWS (17)

AMERICANS (1)
Barnes
BUILDINGS (1)
Beechwood
STORES (1)
Liberty
ELECTRICALS (1)
Muirhead
ENGINEERING (2)
Habit Precision Lee (A.)
INDUSTRIALS (7)
Alpine Hldgs. J.B. Hldgs.
Arenson (A.) Saugers
Burco Dean Uniflex
Gomme Hldgs.
LEISURE (1)
Norton & Wright
OVERSEAS TRADERS (1)
African Lakes
MINES (2)
Coronation Road Cons.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Premier Cons.	5p	12	82	−4	87	39½
Carless Capel	10p	11	121	+4	123	75
BAT Inds.	25p	9	245	+18	271	223
Ultramar	25p	9	654	+26	654	412
Imp. Cont. Gas	£1	8	800	+6	800	593
KCA Intl.	25p	7	74	+3	76	41
BP	25p	6	332	—	412	320
Burmah Oil	£1	6	203	+5	249	162
Eagle Star	25p	6	186	+2	192	148
GEC	25p	6	371	−1	388	326
ICI	£1	6	366	+4	402	353
Land Secs.	50p	6	333	+2	334	244
LASMO	25p	6	562	−6	568	337
Shell Transport	25p	6	346	—	410	314
Unilever	25p	6	416	+1	480	388

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 3	Jul. 24	Aug. 4
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Money was given for call in Lonrho, Premier Oil, BP, Ultramar, Siebens (UK), Loraine Gold, Elsburg Gold, Candecca, Fodens, Town and City, Plysu, Viking Oil, Armitage Shanks, Tate and Lyle and Montague L. Meyer. Puts were arranged in Premier Oil and Link House, while doubles to be completed included Premier Oil and Carless Capel.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., April 30, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., April 29 Index No.	Mon., April 28 Index No.	Fri., April 25 Index No.	Thurs., April 24 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	239.87	+0.9	18.43	6.68	6.76	237.67	235.14	233.32	236.97	278.86
2	Building Materials (28)	238.64	+1.2	17.77	6.82	6.98	235.86	231.43	231.29	234.50	260.01
3	Contracting, Construction (27)	355.92	+1.1	26.78	6.93	4.55	352.00	349.22	349.02	351.83	431.08
4	Electricals (16)	623.31	+0.4	13.34	4.05	9.77	620.70	614.49	605.34	620.59	676.31
5	Engineering Contractors (11)	285.91	+0.8	22.96	9.07	5.72	283.55	278.18	277.14	281.82	419.23
6	Mechanical Engineering (74)	160.23	+1.2	21.08	8.18	5.81	158.29	157.36	155.94	158.00	205.15
8	Metals and Metal Forming (16)	166.01	+1.2	20.81	9.81	5.82	164.08	162.81	162.26	162.62	187.72
11	CONSUMER GOODS (DURABLE) (49)	216.17	+0.5	15.21	5.91	8.06	215.20	212.76	212.61	216.70	251.20
12	Lt. Electronics, Radio, TV (14)	312.35	+0.5	11.69	4.25	10.94	310.95	306.87	307.11	313.44	341.86
13	Household Goods (14)	105.21	+0.1	28.09	10.55	4.20	105.12	103.86	103.74	105.67	176.27
14	Motors and Distributors (21)	102.88	+0.5	22.56	9.69	5.17	102.32	101.71	101.20	102.76	129.08
21	CONSUMER GOODS (NON-DURABLE) (173)	217.34	+1.4	18.76	7.15	6.49	214.32	212.74	211.05	213.71	260.63
22	Breweries (14)	274.20	+1.6	16.15	6.41	7.28	269.99	268.14	264.11	267.06	289.11
23	Wines and Spirits (5)	304.65	+0.4	17.88	6.13	6.89	303.30	302.55	297.92	301.67	340.77
24	Entertainment, Catering (17)	294.67	+1.5	19.42	7.37	6.39	290.20	287.09	282.99	287.04	365.60
25	Food Manufacturers (21)	191.96	+1.4	20.46	7.67	5.74	189.22	188.29	188.73	190.81	231.29
26	Food Retailing (13)	296.13	+1.3	13.79	4.89	8.65	292.28	290.84	288.69	290.95	316.68
32	Newspapers, Publishing (13)	398.95	+0.5	24.48	7.59	5.49	397.10	397.66	403.14	410.95	471.10
33	Packaging and Paper (15)	131.56	+0.5	24.58	8.90	4.99	130.89	129.70	128.95	129.26	150.80
34	Stores (43)	214.09	+0.6	14.22	5.45	9.18	212.72	210.78	208.81	211.58	262.24
35	Textiles (24)	124.10	+1.6	29.06	12.45	4.29	122.12	120.89	120.21	121.49	183.53
36	Tobaccos (3)	208.61	+5.0	27.91	11.09	4.06	198.66	197.10	195.02	199.58	276.24
37	Toys and Games (5)	32.19	+0.6	46.71	15.76	2.64	32.00	32.21	32.78	33.47	87.29
41	OTHER GROUPS (98)	201.29	+0.7	17.60	7.37	6.79	199.91	198.30	195.28	198.44	227.22
42	Chemicals (16)	298.05	+0.8	20.78	8.04	5.50	295.60	294.78	289.67	294.44	319.80
43	Pharmaceutical Products (7)	188.23	−0.2	13.38	7.11	9.07	188.60	188.19	185.11	188.28	270.84
44	Office Equipment (6)	110.41	+1.1	19.35	7.44	5.96	109.26	107.72	105.63	109.15	146.87
45	Shipping (10)	499.56	+0.8	12.04	6.92	10.33	495.65	488.24	460.23	471.13	462.71
46	Miscellaneous (59)	243.28	+0.9	17.09	6.92	7.34	241.21	238.01	236.89	239.53	256.92
49	INDUSTRIAL GROUP (492)	225.97	+1.0	18.14	6.99	6.72	223.64	221.70	219.68	222.91	264.32
51	Oils (8)	718.59	+0.2	32.04	7.17	3.45	717.02	710.11	691.66	700.75	688.79
59	500 SHARE INDEX	265.05	+0.9	20.97	7.03	5.63	262.75	260.42	257.15	260.85	298.91
61	FINANCIAL GROUP (118)	200.80	+0.5	—	6.12	—	199.74	197.70	195.10	198.65	214.57
62	Banks (6)	213.09	−1.4	45.95	7.23	2.67	216.15	214.49	212.45	214.06	259.22
63	Discount Houses (10)	233.94	+2.6	—	8.00	—	228.10	227.12	226.87	232.54	265.60
64	Hire Purchase (5)	208.73	+2.9	15.74	4.76	8.25	202.81	200.97	197.95	200.97	196.41
65	Insurance (Life) (10)	180.56	+1.2	—	7.05	—	178.46	178.87	176.62	181.06	175.31
66	Insurance (Composite) (9)	129.53	+1.7	—	8.31	—	127.32	124.29	122.48	124.54	152.75
67	Insurance Brokers (10)	299.02	+0.7	16.35	6.85	8.56	296.88	295.08	288.83	297.71	326.70
68	Merchant Banks (14)	102.83	+0.8	—	6.07	—	101.97	101.78	101.95	103.92	100.55
69	Property (45)	399.49	+0.9	3.32	2.73	42.87	395.95	392.06	383.01	388.61	360.77
70	Miscellaneous (9)	125.42	+0.1	20.85	7.49	6.10	125.27	123.73	126.61	127.86	132.73
71	Investment Trusts (109)	213.24	+1.1	—	6.21	—	210.98	209.25	210.08	212.91	242.47
81	Mining Finance (4)	186.10	−0.5	14.32	5.38	8.47	187.01	185.38	189.31	184.82	142.67
91	Overseas Traders (19)	381.10	−0.1	13.15	7.12	9.32	381.38	380.94	377.86	383.62	368.06
99	ALL-SHARE INDEX (750)	249.48	+0.8	—	6.77	—	247.59	245.39	242.76	245.98	275.38

FIXED INTEREST PRICE INDICES

	British Government	Wed., April 30	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.08	+0.40	—	3.45
2	5-15 years	107.50	+0.59	—	3.97
3	Over 15 years	113.34	+0.63	—	4.51
4	Irredeemables	125.69	+1.17	—	6.08
5	All stocks	106.95	+0.55	—	3.95

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., April 30	Tues., April 29	Year ago (approx.)
1	Low Coupons	5 years	12.41	12.53	9.25
2		15 years	12.31	12.42	10.18
3		25 years	12.31	12.42	10.68
4	Medium Coupons	5 years	14.12	14.27	10.73
5		15 years	13.91	14.01	11.39
6		25 years	13.48	13.57	11.61
7	High Coupons	5 years	13.74	13.91	11.09
8		15 years	14.22	14.39	11.80
9		25 years	14.22	14.29	11.85
10	Irredeemables		11.54	11.67	10.56

		Wed., April 30 Index No.	Yield %	Tues. April 29	Mon. April 28	Fri. April 25	Thurs. April 24	Wed. April 23	Tues. April 22	Mon. April 21	Fri. April 18	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	60.43	14.66	60.15	60.15	60.09	49.94	49.94	48.93	49.80		61.88
16	Investment Trust Prefs. (15)	47.48	14.21	47.62	47.62	47.63	47.81	47.81	47.81	47.67		51.48
17	Coml. and Indl. Prefs. (20)	61.66	14.57	61.64	61.61	61.61	61.78	61.78	61.73	61.46		75.33

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p‡	+ or —	Div. R. or Amount	Times Covered	Gross Yield	P.E. Ratio
85	F.P.	16/5	95	88	Amstrad Cons. Elect.	90	......	bd3.5	3.0	5.2	7.2
—	F.P.	—	180	135	Hemerdon Mining 10c	160	......	—	—	—	—
**	F.P.	7/3	89	70	Lon. Mer. Secs. Defd	88	+1	—	—	—	—
§90	F.P.	—	101	94	Morley (R.H.) 10p	99	......	b4.75	1.3	6.9	15.9
—	F.P.	—	54	26½	Roche Plant 10p	26½	......	1.25	2.7	7.0	5.9
§10	F.P.	6/6	10¾	10	Trst.of Prop.Shrs.5p	10	......	—	—	—	—
**	F.P.	23/5	22	18	Ward Hldgs. Dfd.	21	+1	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or —
100p	F.P.	—	101	98	Edwards (L.C.) 8% Conv. Red. Cum. Pref	101	......
—	—	2/9	112	104	Globe Inv Tst 11½% Conv Uns Ln '90-95	107	+1½
¶¶	F.P.	30/5	106	95½	Imp. Cont. Gas 8% Conv. Loan. 1985-2000	106	+2½
‡	F.P.	9/5	106	100¼	Leigh Interests 10pc Conv. Uns Ln. 1984-85	104	......
¶	F.P.	29/5	95⅛	93⅛	Mid Kent Water 9% Red Pref. 1985	94½	......
¶	F.P.	30/6	100¼	100¼	Mid Southern 10% Red Prf. 1985	100½	+¼
‡	Nil	—	5pm	3pm	North Brit. Props. 9½% Cov. Uns. Ln. 1996	5½pm	+½
¶¶	F.P.	9/6	92	91	Norwest Holst 11½% Red Cum Pref 1986	91	......
¶	F.P.	30/5	100½	98½	Sutton District Water 10pc Red Prof. 1983	100½	......

"RIGHTS" OFFERS

Issue Price p‡	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p‡	+ or —
135	F.P.	21/3	2/5	170	159	AGB Research	170	+5
225	F.P.	—	—	340	285	Aran Energy	340	+8
30	F.P.	1/5	12/6	130	120	Brent Chemicals	130	......
27	Nil	—	—	2pm	1pm	First Castle Secs.	2pm	......
60	F.P.	3/1	24/1	855	860	Hammerson Prop. A	855	+5
48	F.P.	25/4	23/5	66	58	Howard Tenens	60	......
60cts	Nil	—	—	435pm	190pm	Pancontinental	235pm	......
54	Nil	—	—	17pm	13pm	Rugby Portland Cement	17pm	+2
180	Nil	—	—	126pm	116pm	Unitech	119pm	−3
68	F.P.	—	13/6	74	68	United Biscuits	74	+1
110	F.P.	23/4	13/6	155	123	Watmoughs	155	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Property	+26.01	500-Share Index	+ 8.88
Hire Purchase	+22.67	Chemicals	+ 6.44
Electronics, Radio and TV	+21.40	Entertainment and Catering	+ 6.12
Building Materials	+19.01	Mechanical Engineering	+ 5.68
Shipping	+16.87	Office Equipment	+ 5.29
Mining Finance	+15.47	Consumer Goods (Non-Durable) Group	+ 5.19
Overseas Traders	+14.74	Insurance (Composite)	+ 4.64
Insurance (Life)	+14.12	Discount Houses	+ 4.01
Merchant Banks	+13.82	Wines and Spirits	+ 3.47
Packaging and Paper	+13.57	Newspapers and Publishing	+ 3.38
Metal and Metal Forming	+13.24	Oils	+ 2.98
Consumer Goods (Durable) Group	+13.03	Tobaccos	− 0.16
Electricals	+12.92	Food Manufacturing	− 0.50
Capital Goods Group	+11.37	Food Retailing	− 0.61
Stores	+11.27	Motors and Distributors	− 1.25
Insurance Brokers	+10.96	Engineering Contracts	− 1.44
Gold Mines FT	+10.35	Banks	− 1.90
Investment Trusts	+ 9.61	Textiles	− 2.75
Financial Group	+ 9.53	Pharmaceutical Products	− 2.80
Contracting and Construction	+ 8.40	Household Goods	− 9.69
All-Share Index	+ 7.75	Toys and Games	−32.76
Industrial Group	+ 7.67		
Other Groups	+ 6.80		
Breweries	+ 6.78		

† Percentage changes based on Tuesday, April 29, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	8.14	8.39	.....	13.50
Gilt Trust (I.o.M.)	94.4	96.8	.....	13.50
Gilt Fnd. Guernsey	8.68	8.74	+0.11	13.50
Intl. Govt. Secs. Tst.				
First Sterling	18.43	18.61	.....	—
First Intl.	235.68	237.22	.....	—

Kleinwort Benson Limited

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	£0.809	0.857	+0.007	14.59
Quest Intl. Secs.	$0.916	0.985	+0.06	4.37
Quest Intl. Bd.	US$0.862	0.913	+0.001	10.41

Prices on April 24. Next dealing April 30.

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914

(x)The Silver Trust	241.8	247.6	+7.4	—
Do. Diamond Bd.	166.2	175.1	.....	—
Do. Em Income Bd.	123.4	131.9	−1.8	13.79
Midway Deposit Bd.	111.34	112.47	.....	17.19
Carrillon C.G.T. Bd.	66.1	69.7	.....	—

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331

Surinvest (Jersey) Ltd. (x)
Queens Hse., Don Rd., St. Helier, Jsy. 0534 27349

American Ind. Tst.	£4.66	4.76	+0.10	—
Copper Trust	£13.80	14.13	+0.14	—
Jap. Index Tst.	£5.99	6.12	+0.03	—

Surinvest Trust Managers Ltd.
48, Athol Street, Douglas, Isle of Man. 0624 23914

The Coin Trust	103.7	109.3	.....	—

TSB Unit Trust Managers (C.I.) Ltd.
10, Wharf St., St. Helier, Jersey (CI). 0534 73494

TSB Jersey Fund	49.8	52.4	.....	5.49
TSB Guernsey Fund	49.8	52.4	.....	5.49

Prices on April 30. Next sub. day May 7.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

NOTES

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
98⅞	95⅝	Treasury 3½pc '77-80	98⅞	......	3.56	16.31
98¹³⁄₁₆	96	Funding 5¼pc '78-80‡‡	98¹³⁄₁₆	+⅛	5.32	16.03
99	97⅞	Exchequer 13pc 1980‡‡	99⅛	+⅛	13.13	14.94
98	96¼	Treasury 11½pc 1981‡‡	98	+¼	11.73	14.36
92¼	90¾	Treasury 3½pc 1979-81	91¼	......	3.81	14.77
96⅛	93⅞	Treasury 9¾pc 1981‡‡	96⅛	+¼	10.14	14.34
93¾	91¼	Exch. 8¼pc 1981	93¾	+⅛	8.80	14.44
94½	92¼	Exch. 9½pc 1981	94½	+¼	10.05	14.35
89¾	85½	Exch. 3pc 1981	89¾	+⅛	3.34	11.65
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
60	56½	Agric. Mt. 5pc '59-89	59½	......	3.64	12.98
78	73½	Alcan 10½pc '89-94	78	......	13.89	14.78
28½	25	Met. Wtr. 5pc 'B'	26¾	......	11.42	13.43
102	89	U.S.M.C. 9pc 1982	94	......	10.44	—
89½	85½	Do. without Warrants	89½	......	10.52	16.30

LOANS—Continued

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ $A1	207	......	Q22c	3.7	5.4	5.0
233	183	Alexanders D. £1	233	+3	16.0	—	9.8	—
£76½	£56	Algemene Fl.100	£64xd	......	Q25%	1.9	7.8	6.9
350	290	Allen Harvey £1	350	+5	21.5	—	8.8	—
128	108	Allied Irish	110	......	hQ8.09	—	7.1	—
16¼	13	Ansbacher (H.) 5p	13¼	......	—	—	—	—
230	150	Arbuthnot L. £1	228	......	†10.42	—	9.3	—
360	320	Bk. Ireland £1	325	......	Q25.0	—	7.5	—
£162	£146	Do. 10pc Conv.	£150	......	Q10%	—	f6.7	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

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[illegible]

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Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
25	21	Acmex 50c	23	—	—	—	—
24	12	ACM 20c	16	−1	—	—	—
86	52½	Bond Corp.	62xr	—	hQ2.8c	2.2	2.3
156	88	Bougainville I Kina	108	—	ls026.4c	ϕ	13.7
265	195	BH South 50c	200	—	ϕ—	—	—
25	11½	Canada Northwest	13½	—	—	—	—
42	8	Carr Boyd 20c	23	—	—	—	—
£26	£15¼	Central Pacific	£21¼	−¼	—	—	—
356	230	Conzinc Riotinto 50c	252	+2	Q15c	2.1	3.1
39	17	Cultus Pacific N.L.	28	−1	—	—	—
50	20	Eagle Corp. 10c	30	—	—	—	—
26¼	15¾	Endeavour 20c	18½	—	—	—	—
258	175	G. M. Kalgoorlie 25c	200	+2	†Q3c	—	0.8
46	15	Great Eastern	20xr	—	—	—	—
372	260	Hamptn Areas 5p.	310	+5	3.5	2.8	1.6
48	30	Haoma Gold N.L.	40	—	—	—	—
720	80	Leichardt Expln.	260	+40	—	—	—
72	41	Metals Ex. 50c	58	—	—	—	—
312	192	M.I.M. Hldgs. 50c	197	—	††Q16.1c	1.8	4.2
20	9	Minefields Expl. 25c	15	−5	—	—	—
155	60	Mount Lyell 25c	70	—	—	—	—
28	15	Newmetal 20c	20	—	—	—	—
35	12	Nickelore N.L.	13	—	—	—	—
207	137	North B. Hill 50c	146	−1	†Q12c	1.4	4.3
80	44½	Nth. Kalgurli	67	−1	—	—	—
165	98	Nth. Mining Corp.	115	+3	—	—	—
47	24	N. West Mining N.L.	41	+1	—	—	—
235	155	Oakbridge $A1	155	—	Q12c	4.7	4.0
122	70	Oilmin N. L.	80	—	—	—	—
230	128	Pacific Copper	166	—	—	—	—
465	255	Pancont'l 25c	255	−5	—	—	—
78	42	Pariaga M&Ex.5p	46	−1	—	—	—
495	335	Peko-Wallsend 50c	350	+10	tQ17.5c	ϕ	2.6
230	140	Selltrust A	148	−2	—	—	—
£10¼	575	Southern Pacific	831	+44	—	—	—
75	31	Swan Resources 20c	55	—	—	—	—
13	9½	West Coast 25c	9½	—	—	—	—
264	177	Westn. Mining 50c	195	+1	†Q7c	1.6	1.9
30	10	Westmex	12	—	—	—	—
96	56	Whim Creek 20c	88	−2	—	—	—
24	10½	York Resources	16	—	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
25	16	Amal Nigeria 1p	16	—	†6.0	1.9	53.6
345	260	Ayer Hitam $M1	260	—	†Q290c	0.9	‡
67	46	Beralt Tin	46	—	4.5	ϕ	14.0
185	149½	Berjuntai $M1	165	—	†Q95c	1.0	‡
230	153	Geevor	210	—	8.71	3.1	5.9
11	10	Gold & Base 12½p	10	—	—	—	—
365	310	Gopeng Cons.	325xd	—	†25.0	1.8	11.0
310	280	Hongkong	300	—	35.87	ϕ	17.1
105	90	Idris 10p	97	—	28.0	ϕ	11.8
15	14	Jantar 12½p	14	—	—	—	—
77	64	Kamunting $M0.50	67	—	Q47½c	1.1	15.9
375	300	Killinghall $M1	375	—	Q100c	ϕ	5.4
670	485	Malay Dredging $M1	580	+5	mQ105c	2.6	3.7
33	26	Pahang	27	—	0.44	0.3	2.4
108	90	Pengkalen 10p	98xd	—	6.0	1.3	9.5
290	230	Petaling $M1	260	—	Q150c	1.4	11.7
70	57	Saint Piran	65	—	‡t2.5	6.4	‡
44	30	South Crofty 10p	34	—	‡3.0	2.0	‡
255	180	South Kinta $M0.50	215	+5	Q150c	1.0	14.2
400	340	Sthn Malayan $M1	355	—	†Q175c	2.1	10.0
295	215	Sungei Besi $M1	275	—	†Q520c	1.8	38.5
39	22½	Supreme Corp. $M1	35	—	hQ8c	—	4.7
100	95	Tanjong 15p	95	—	24.5	ϕ	6.8
95	80	Tongkah H. Tin	80	—	Q45c	1.3	12.6
275	220	Tronoh $M1	230	—	†Q25c	5.2	2.2

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
235	130	Messina R0.50	194	+1	mQ10c	ϕ	3.0

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
160	78½	Anglo-Dominion	147	+2	—	—	—
97	58	Barymin	70	—	—	—	—
16	12	Burma Mines 17½p	16	—	0.62	ϕ	5.6
502	330	Cons. Murch. 10c	330	—	MQ100c	1.8	17.3
585	325	Northgate C$1	350	—	—	—	—
485	327	R.T.Z.	368	−2	15.0	q3.3	6.0
33	16	Robert Mines	26	—	—	—	—
58	27	Sabina Inds. C$1	33	+1	—	—	—
650	425	Tara Exptn. $1	450	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	27	—	Conv. 9% '80/82	£86½	+¼
Bertam	18		Nat. 9¾% 84/89	£73¾	+¾
Bdg'wtr. Est. 50p	380	+10	Fin. 13% 97/02	£82	+1
Clover Croft	60	—	Alliance Gas	50	—
Craig & Rose £1	£18½	—	Arnott	360	—
Fife Forge	34	—	Carroll (P.J.)	52	—
Finlay Pkg. 5p	18xd	—	Clondalkin	105xd	—
Graig Ship. £1	£13½	−½	Concrete Prods.	75	—
Higsons Brew.	77	+2	Helton (Hldgs.)	32	—
Holt (Jos) 25p	252	—	Ins. Corp.	250xd	—
I.O.M. Stm. £1	175	+5	Irish Ropes	60	—
Pearce (C. H.)	380	—	Jacob	30xd	—
Peel Mills	40	—	T.M.G.	130	—
Sheff. Refrshmt.	100	—	Unidare	102	—
Sindall (Wm.)	155	—			

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr.	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met	12	Sears	5½	Cons. Gold	52
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	25	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd.	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Thursday May 1 1980

France will not move alone on farm prices

BY ROBERT MAUTHNER IN PARIS

FRANCE WILL not act unilaterally to raise its far mprices following the weekend's abortive EEC summit. However, M. Jean Francois-Poncet, the French Foreign Minister, said yesterday it did envisage taking measures—in co-operation with other like-minded Community countries—to support its farmers if an agreement to raise EEC farm prices was not reached next week.

In a statement to the National Assembly on the Luxembourg summit, M. Francois-Poncet said France, firstly, would ask the Community's Agriculture Ministers next Tuesday to approve the EEC Commission proposals for farm price rises averaging 5 per cent, put forward at the summit and confirmed by the Commission yesterday.

"If the meeting, in which Britain will naturally take part, fails to reach agreement, France will consider measures to safeguard the legitimate interests of its farmers." However, he made it clear that the French Government would not act unilaterally.

Under Community rules, a member state can take national measures to support farm prices, but only if they are approved by the other members and by the European Commission.

Following the disagreement on the UK's demand for a reduction of its net contributions to the EEC budget, the French clearly do not count on co-operation from Britain. But M. Pierre Mehaignerie, the French agriculture minister, has indicated that France ise xploring ways in which the agreement between Britain's eight partners on a rise of 5 per cent in farm prices can legally be introduced without running into a British veto.

M. Francois-Poncet's statement to the National Assembly, in which he accused Britain of having hindered the normal working of the Community by blocking a decision on farm prices, followed a Cabinet meeting at which the consequences of the Luxembourg breakdown were discussed at length.

A communiqué issued after the meeting said no solution compatible with present Community rules could be found to Britain's demands for a reduction of its net budgetary contribution, "because of the large amount involved and its duration."

Discussoin of this problem would be resumed by the EEC Council of Ministers. The French Government would demand that the agreement reached by Britain's eight partners on farm prices and a common lamb regime should be put into effect as soon as possible, the communiqué added.

President Giscard d'Estaing told the Cabinet that the European Council, grouping the heads of state and government of the member countries, was designed as a forum for taking broad EEC policy decisions and that it should resume this role, which it had lost during the recent summit discussions.

Margaret van Hattem adds from Brussels: The EEC Commission's confirmed action of its proposals to raise EEC farm prices by an average 5 per cent this year, doubling its original offer, came despite earlier indications from Mr. Roy Jenkin, Commission President, that they might be withdrawn.

Mr. Jenkins had indicated after the summit that the Commission had relaxed its stand on prices in an attempt to resolve the budget crisis. Since this had failed, the 5 per cent proposal might no longer stand.

However, the 13 Commissioners decided at their weekly meeting yesterday to stand by the compromise. Commission officials said that, since eight countries had already accepted the offer, it would have been disruptive to withdraw the proposal.

Officials and diplomats are concerned that the French Government may force a crisis over the farm price vote. Although only a qualified majority is requirel, Britain could veto price rises under the so-called Luxembourg compromise whereby a member state can defend "vital national interests."

Until now, France has always upheld a county's right to define its own national interests. Should it now challenge Britain's right to do so and succeed in overriding any veto this useful device would be effectively destroyed and Britain might feel forced to carry out its threat of withholding Value Added Tax payments to the Community.

Richard Evans, Lobby Editor, writes: In London yesterday, Mrs. Thatcher repeated her determination to continue fighting for a better deal for Britain from the Common Market.

The hope is that pressure to complete the negotiations at the Venice summit on June 12 and 13 will be maintained during the series of Community Council meetings this month and in early June. British Ministers are also looking to Sig. Francesco Cossiga, Prime Minister of Italy, and the current president of the European Council, to ensure that the budget issue appears on the Venice agenda.

Oldest jobbers in merger

BY CHRISTINE MOIR

MEDWIN AND LOWY, the oldest firm of stockjobbers, is to cease trading on May 9. Most of the partners and the 40-odd staff will be absorbed by Wedd Durlacher Mordaunt, the largest firm of jobbers, with 385 staff.

Medwin's reasons for seeking a merger with Wedd arise, ironically, from the increased business in foreign securities which has been a feature of the market since exchange controls were abolished last October. The firm had "an inadequate capital base" to meet the demands of this level of business.

Mr. Cyril James Stephens, Medwin's senior partner, who wil lstay until the year-end as a consultant with Wedd, confirmed that Medwin's turnover had doubled since controls were lifted.

In future, he believes, there will be even more business in overseas securities, especially in North American stocks. Medwin needed "more financial muscle" to take advantage of the new market.

Medwin has specialised in foreign securities since its establishment in 1863 to job in bonds issued by the Confederate States of America during the American Civil War.

Wedd Durlacher has been interested in expanding its foreign business since October, more particularly since new Stock Exchange rules are about to be introduced to enhance opportunities for UK firms abroad.

Hence it has welcomed the approach from Medwin, which has specialised dealing staff already conversant with North American, Canadian, Far Eastern and European stocks.

Wedd intends to take over five of the existing seven partners (two are close to retirement) and some of Medwin's staff.

Courtaulds to shut three more mills

BY SUE CAMERON

THE UK-BASED Courtalds textiles group is to shut three more Lancashire mills, with the loss of about 750 jobs.

The closures will take total cuts in Courtaulds' workfore to about 7,200 in the last 18 months. The company blamed the latest cuts on intense foreign competition, overcapacity in the European industry and the recent strength of sterling.

The three „mills are Arkwright at Rochdale, Dee at Oldham and Imperial at Blackburn.

Courtaulds said yesterday the three had been working on short time for some months and all had bee noperating at a loss. It refused to reveal figures, but losses over the last year from the three are believed to be less than £1m.

There were no prospects of improvement and losses were expected to increase, the company said. It was therefore necessary to rationalise.

Production would be concentrated at modernsised mills in the region. Courtaulds hoped it would be possible to find alternative jobs for some employees at Arkwright, Dee and Imperial.

Dee and Imperial produce carded yarns, used for a wide range of textiles, and have 400 and 300 employees respectively. The Arkwright mill, which produces carpet yarns, is the smallest.

Courtaulds said Arkwright had been hard hit by imports of carpet yarns and finished carpets from the U.S., where Government-controlled oil and gas prices give producers cheaper raw materials than in Europe.

Closure proposals for the three mills, which all belong to Courtaulds' Northern spinning division, are being discussed with representatives of the unions concerned, including the Amalgamated Textile Workers Union. The Northern spinning division has 43 mills employing about 9,000 people.

Three other mills, employing about 700 people, were closed by Courtaulds last August and production transferred to newer sites. At the start of 1979, the group closed its acrylic yarn plant at Spennymoor with the loss of 1,560 jobs, and in November last year 2,600 employees were affected by a decision to cease production of another man-made fibre viscose filament yarn, at Red Scar in Preston.

EEC probing 'anomalies'

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission is probing "anomalies" in three major industries. It suspects these range from market-sharing pacts to illegal price-fixing.

The biggest investigation is into the household electrical appliances industry, where a handful of large companies, with what tse Commission calls "very close relations," dominate the EEC market. Parallel studies are being made into the beverage and classical record industries.

If the Brussels competition authorities find that illegal pacts and price-fixing exist, big fines could be imposed on the offending companies, under Article 87 of the Rome Treaty.

In the household electrical goods industry the companies under investigation are Philips of the Netherlands, Britain's General Electric Company, AEG-Telefunken and Bosch-Siemens of West Germany, Italy's Zanussi and Indesit, and Thompson Brandt of France. Also listed by Brussels are the U.S.-owned Hoover group and Sweden's Electrolux.

In the highly concentrated and profitable EEC beverage industry, the Commission lists BSN Gervais Danone of France, Nestle of Switzerland, the UK's Cadbury - Schweppes, and France's Perrier group, and makes clear that it is particularly concerned over price developments in the bottled spa-water market in France.

In the record industry it focuses on distribution and pricing practices of the Polygram group, linking Philips and Deutsche Gramaphon, and the UK's EMI.

The Commission says anomalies of competition that it has estabiished exist are serious. It is "considering the sitaution very closely" in the household appliances field.

It lists the 30 or so brand-names that give Western European consumers a false impression of a large number of competing companies, and adds that it has found wide retail price disparities in different EEC countries.

The Commission draws attention to these specific cases of suspected distortion in its Ninth Report on Commission Policy.

It also makes plain its increasing concern at the general trend in major industries for competition to be limited in scope and intensity by concentrations of ever-larger companies that can dominate a market.
E aote— ETSH

Calling the phenomenon "oligopolisation," it observes that major companies "prefer a form of (more or less) organised competition to individual dominance. Large firms are applying a policy of peaceful co-existence with other large firms."

Attack on proposed union curbs

By Christian Tyler, Labour Editor

THE GOVERNMENT is in danger of making trades unions "outlaws" by the measures contained in its Employment Bill, the Commons Select Committee on Employment was told yesterday.

TUC leaders told the committee that unions would be forced to defend workers who fell foul of the law and that traditional rights removed by the legislation would be fought for by traditional means, including industrial action where necessary.

Asked whether the unions would obey the new law, Mr. Harry Urwin, deputy general secretary of the Transport and General Workers' Union and chairman of the TUC's employment policy and organisation committee, said the TUC would be waiting until the Act was finalised.

Mr. Urwin was pressed by Conservative Right-wingers to confirm the illegality of the TUC's May 14 Day of Action, and to confess that the TUC was looking for legal protection for unions but not employers.

He defended what be called the right of workers "to demonstrate in a free society" by withdrawing their labour.

The TUC voluntary guidelines on picketing would be withdrawn if the Government persisted in enacting the legislation as presently outlined, he added.

He said that in the last few months there had been some 400 or 500 arrests of pickets, more than in any equivalent period for 50 years. Yet few picket lines were violent, and the TUC had always condemned violence and intimidation.

Loans to Hunts will ease silver sales

BY JOHN MAKINSON IN NEW YORK

MR. PAUL VOLCKER, chairman of the Federal Reserve Board, told a Congressional hearing yesterday that loans being negotiated for the Hunt brothers of Texas would be used to enable their silver holdings to be sold in an orderly fashion.

He also told the sub-committee for commerce, consumer and monetary affairs that the loans, estimated at about $1bn, would contain safeguards to prevent the funds being used for further speculative silver purchases by the Hunts. The brothers, Nelson Bunker and W. Herbert, suffered enormous losses from silver speculation when prices collapsed last month.

The loans being negotiated, would be paid to Placid Oil, a Hunt family company with considerable oii and gas assets. Mr. Volcker did not elaborate on how so much silver would be sold without disturbing the market. Federal Reserve officials suggested that Placid would use the loans to buy silver from the Hunts and then sell the metal more slowly through third parties.

The Hunt brothers' losses had a widespread impact on U.S. financial institutions. The financial security of several U.S. brokerage houses was impaired by the Hunts' inability to meet commitments. Mr. Volcker estimated the total exposure of brokerage houses arising from the Hunts' difficulties was between $500m and $600m. This is made up both of loans and obligations on silver contracts which the Hunts have not yet met.

Mr. Volcker told the hearing that U.S. banks might be owed between $100m and $200m by the brothers while foreign banks alos have a high degree of exposure.

Sweden faces general strike

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S blue collar trade union federation, the LO, yesterday rejected a 2.3 per cent "final" pay offer from the government appointed mediators and opening the way for the outbreak tomorrow of the biggest labour conflict in the country's history.

From midnight tonight, 19 unions will bring out some 100,000 workers on strikes in most sectors of Swedish industry.

The Swedish employers association SAF will retaliate by locking out about 770,000 workers for five days from Friday.

The unions are then expected to escalate the conflict by calling out all workers affected by the lock-out. Altogether between 900,000 and 1m employees are expected to be affected.

A strike by 14,000 key state and local authority officials, which started last Friday, has already halted all airline traffic

Continued from Page 1

UK oil

production to ease pressure on world supplies while the oil industry is confident supplies will be sufficient to meet demand this summer—even without Iranian production—it is concerned that it may have to draw down stocks seriously next winter.

The UK already exports much of its output—oil which is replaced with imported crude of heavier variety needed to balance the refinery streams. In the 12 months to the end of February exports were running at about 800,000 barrels a day. A large proportion of this Norht Sea production went to other EEC members.

The West German Government said yesterday the North Sea—both the UK and Norwegian sectors — was the countrys most important source of oil. North Sea crude accounted for 18.1 per cent of West Germanys imports against 17.3 per cent from Saudi Arabia, 16.5 per cent from Libya and 14.7 per cent from Iran.

But West Germany, like its Continental EEC partners, would like even more from the North Sea.

It was expected that Mr. David Howell, Energy Secretary, would make a preliminary statement about depletion policies in the next few days. But it seems this has been postponed. It is likely to be several more months before the Cabinet decides on the speed of production; in the meantime it has to weigh up the ervenue, security and international implications of various depletion options.

Self-sufficiency is not expected to last much beyond the end of the 1980s or early 1990s. The industry has calculated that the amount of oil which could either be available for net exports or be held over to sustain self-sufficiency would total about 100m tonnes, a little more than one year's UK consumption.

How long self-sufficiency can be maintained in the 1990s will partly depend on the success of exploration in the next few years. The Government is expected to announce details of its seventh licence round today. Some oil company executives claim that if the tempo of exploration increases and if oil demand remains fairly constant, the UK could be producing enough to meet its consumption until the turn of the century.

Weather

UK TODAY

SUNNY INTERVALS, dry in Scotland and N. Ireland, showers in England and Wales, cold in the South and East, near-normal temperatures in North and East. Max. temperatures 11-14C (52-57F).

Outlook: little general change.

May forecast: in the West, particularly, warm and sunny days with above-average temperatures; in the East, particularly, cool and cloudy, temperatures below average. Near-average rainfall, probably with wet spell in next fortnight.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	16	61	Lisbon	F	21	70
Algiers	C	17	63	Locarno	C	15	59
Amsdm.	S	15	59	London	C	10	50
Athens	C	20	68	Luxmbg.	F	16	61
Bahrain	S	25	95	Luxor	S	32	90
Barclna.	R	13	55	Madrid	F	16	61
Beirut	S	19	66	Malorca	R	13	55
Belfast	F	11	52	Malaga	C	18	64
Belgrd.	F	16	61	M'chstr.	C	11	52
Berlin	F	16	61	Melbne.	C	15	59
Biarritz	F	14	57	Mex. C.	S	26	79
Bmghm.	C	9	48	Milan	C	16	61
Blackpl.	C	9	48	Mntreal.	C	12	54
Bordx.	S	18	64	Moscow	F	23	73
Boulgn.	C	10	50	Munich	S	15	59
Bristol	C	9	48	Nairobi	S	23	73
Brussels	F	14	57	Naples	R	12	54
Budpst.	F	18	64	Nwcstl.	R	6	43
B. Aires	S	15	59	N. York	R	9	48
Cairo	S	28	82	Nice	C	17	63
Cardiff	C	9	48	Nicosia	S	20	68
Cas'b'ca	R	14	57	Oporto	F	18	64
Cape T.	S	22	72	Oslo	F	17	63
Chicago	C	10	50	Paris	C	11	52
Cologne	F	17	63	Perth	S	25	77
Cpnhgn.	C	12	54	Prague	F	16	61
Corfu	R	14	57	Reykjvk.	C	9	48
Dublin	C	11	52	Rhodes	F	20	68
Dbrvnk.	F	16	61	Rio J'o	S	30	86
Ednbgh.	S	10	50	Rome	R	15	59
Faro	F	19	66	Salzbrg.	S	17	63
Florence	C	17	63	Singapr.	R	31	87
Frankft.	F	17	63	Stckhm.	C	6	43
Funchal	C	19	66	Strasbg.	S	17	63
Geneva	S	15	59	Sydney	R	22	72
Gibrltr.	F	18	64	Tangier	F	17	63
Glasgow	C	12	54	Tehran	S	19	66
G'msey	C	7	45	Tel Aviv	S	20	68
Helsinki	F	17	63	Tenerife	C	13	55
H. Kong	S	28	82	Tokyo	C	17	63
Innsbrk.	S	17	63	Toronto	C	11	52
Invrnss.	C	11	52	Tunis	C	19	66
I.o.Man	F	11	52	Valencia	R	12	54
Jersey	C	9	48	Venice	F	17	63
Jo'burg	S	21	70	Warsaw	S	14	57
L. Plms.	F	21	70	Zurich	S	16	61

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

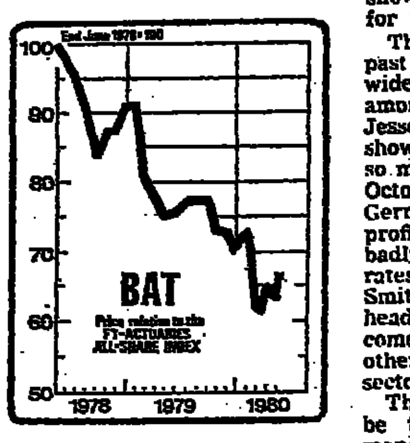
Bundesbank spoils the party

The international interest rate party was still in full swing yesterday morning, with euro-dollar rates heading blithely downwards and bonds moving higher. But there was an abrupt shock at lunchtime as the Bundesbank meeting in Frankfurt raised German official rates —in the case of the Lombard rate by a full point to 9½ per cent.

The Bundesbank is not going to be popular, either in Washington or in Frankfurt, itself, where the Germans like everyone else have been piling into bonds. The dollar has been under severe pressure in the last few days, since U.S. interest rates began to fall, and the German tightening can only make maters worse. But the Bundesbank is unhappy about the strong rise in German bank lending, which has been pushing the money supply ahead briskly despite the outflows in March, and it can argue convincingly that hte German economy—for which it expects 3 per cent growth this year—is a long way behind the U.S. in cyclical terms.

The German move may bring some reality back to an international banking system which has become intoxicated by the headlong fall in dollar interest rates; during April the three-month Eurodollar deposit rate has fallen from over 20 per cent to 13⅞ per cent last night. Sterling rates have fallen much less rapidly, but even so the pound has fallen by 2 per cent on a trade-weighted basis since Monday morning.

Index rose 3.7 to 440.4



BAT Industries

In connection with its change of year end from September to December, BATs has produced figures for the 15 months to December 1979, as well as the calendar year figures which will now be the basis of comparison. Whereas pre-tax profits in the year to September were modestly down on 1977-78, in calendar 1979 there was a rise from £435m to £443m, and there does seem to have been a fairly strong last quarter. It is possible to extract final quarter figures of £132m against £117m from BATs' information, but these are struck at late 1979 exchange rates and therefore understate Brazilian profits in 1978 and give a flattering idea of the underlying improvement.

The last quarter certainly benefited from an excellent Christmas in the U.S. retailing businesses. In the UK, at the trading level at least, International Stores turned round by nearly £7m into microscopic profits; BATs is confident that the acquisitions of MacMarkets, which it sees largely as a property deal, will give it a better mix of sites.

Disappointingly, BATs is still losing share in the U.S. tobacco market, where it has yet to find a widely accepted low tar brand. Brazilian cigarette volume has also beenu under pressure and margins on the export business from the UK are well down. Demand on the paper and packaging side is beginning to slip and overall 1980 profits, after a considerably higher net interest charge now that BATs has spent much of its UK cash, are unlikely to show a dramatic improvement over 1979.

Still, sterling was trembling a little yesterday and BATs dividend-paying capacity is formidable. Even after an 18p rise to 245p, the shares yield a prospective 11½ per cent and stand on only 3½ times stated earnings, where they should not seriously damage the health of a portfolio.

Discount houses

In the money market conditions change quickly and hte discount houses can look back on an excellent month of April, with three-month interest rates, for istance, down by around 1½ points and very useful gains in gilt-edged where the houses have been rapidly rebuilding their portfolios. The return of more prosperous times has taken much of the sting from the £1.1m loss reported yesterday by the second laregst house Gerrard and National, and the more modest £50,000 deficit of Jessel Toynbee. Both are confident enough to raise their dividends sharply, in obvious contrast to the missed final of Clive Discount after its serious losses last week. All of these houses hve been sclipsed, however, by Smith St. Aubyn which shows a clear net profit of £1.1m for the same year to April 5.

The testing conditions of the past 12 months have produced widely different performances among the discount houses. Jessel, for instance, was already showing a loss after six months so must have held its own from October onwards. In contrast, Gerrard was indicating good profits at half-time but was badly caught by rising interest rates in October and November. Smith seems to have kept its head down all the way and has come through better than any other house except, perhaps, the sector leader Union Discount.

This year caution could well be the wrong policy in the money market and the important point for a house like Gerrard is that its losses have not been large enough to erode its capital resources at all seriously. In fact, allowing for the capital profit on the sale of Astley and Pierce its £3m fall in disclosed shareholders' funds is partly offset by a rise of perhaps £1.5m in inner reserves. So it retains a relatively high rating on a yield of 7.6 per cent though Smith may well wonder why, after such a good showing, its shares are ranked alongside Jessel and Alexanders on yields roughly two points higher.

LASMO

The timing of the seventh round of offshore oil exploration licences — which is likely to be announced today — could hardly have been bettered as far as LASMO is concerned. The cash flow from Ninian operations in the current year should be in the region of £70m, allowing the company to wipe out the £48.7m of term loans in the balance-sheet — published yesterday — in plenty of time to deal with the £75m of loan stock between next year and 1983.

So if, as sems likely, the company achieves its aim of picking up blocks in which it has a sizeable and even an operating interest in the round, it could be substantially ungeared by the time cash for a full development programme is required. Even taking into account the potential T-block obligations, which will be financed within Ninian cash flow, the group should be in a position to avoid farming out if it is lucky enough to encounter a substantial new field. A market capitalisation of £412m, making it the 29th largest UK-quoted company, puts the problem of raising finance firmly into the past.

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